



Daily Report

East Asia

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Japan

Murayama, Governor Ota Meet on U.S. Bases Issue

OW0411022695 Tokyo KYODO in English
0204 GMT 4 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 4 KYODO — Prime Minister Tomiichi Murayama began a marathon meeting with Okinawa Gov. Masahide Ota on Saturday morning [4 November] in an eleventh-hour bid to break an impasse over the storm of protest on the southwestern Japanese island against the U.S. military presence.

The meeting, which started shortly after 10 A.M. at Murayama's office with Chief Cabinet Secretary Koken Nosaka in attendance, is expected to last about four hours through lunch amid the local outcry over the rape of an Okinawan schoolgirl, for which three U.S. servicemen have been indicted, government officials said.

The meeting comes after Ota reacted to the rape case with refusal to sign documents needed for the continued forced rental of land owned by Okinawans to the U.S. military on the island about 1,600 kilometers southwest of Tokyo.

Murayama is expected to try to persuade Ota to sign the documents with a pledge to make efforts to reduce, realign and consolidate U.S. bases in Okinawa.

Ota has said he would not retract his refusal unless the U.S. military presence is reduced. Okinawa is home to about 75 percent of U.S. military facilities in Japan.

If Ota continues to refuse to sign the documents, Murayama could resort to his legal authority to sign them on behalf of Ota.

Ota is expected to put forward a 10-point proposal aimed at reviewing the Status of Forces Agreement, under which the U.S. military is allowed to hold American servicemen suspected of crimes in Japan until they are indicted by Japanese prosecutors.

That point has fueled calls by Okinawa leaders and citizens for a cut in the U.S. bases there as the U.S. military did not turn over the three rape suspects to Japanese authorities until they were indicted, as spelled out in the status agreement.

Ota is also expected to ask Murayama to map out an action program to reduce the U.S. military presence in Okinawa.

Among changes in the bilateral agreement proposed by Ota are:

— Domestic legislation should be applied against noise and environmental pollution originating from U.S. bases,

— Military marches should be banned outside the bases,

— The use of nonmilitary airports by U.S. military aircraft should be banned except in case of emergency,

— Japanese law enforcement authorities should be allowed to take custody of American servicemen suspected of committing crimes in any case, and

— The Japanese Government should be obliged to compensate for any damage caused by the U.S. military.

The United States agreed late last month to make a change in the agreement so that it will turn over American servicemen to Japanese authorities for questioning before they are indicted on such serious crimes as rape and murder.

Ota has said crimes committed by U.S. servicemen have posed a threat to human rights of Okinawa residents. There have been 509 serious crimes committed by U.S. servicemen in Okinawa since the return of Okinawa to Japanese rule in 1972, according to figures from authorities.

U.S. Defense Secretary William Perry said earlier this week that Washington is ready to consider any proposals to cut the number of U.S. troops in Okinawa, currently at about 30,000, but insisted that overall American troop strength in Japan must remain at 47,000.

Failed To Achieve Breakthrough

OW0411083395 Tokyo KYODO in English
0757 GMT 4 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 4 KYODO — Prime Minister Tomiichi Murayama and Okinawa Gov. Masahide Ota failed Saturday [4 November] to achieve a breakthrough in a stalemate over the storm of protest against the U.S. military presence on the southwestern island.

Murayama and Ota met for about five hours at the premier's official residence. But Ota reiterated his refusal to cooperate with the central government over the compulsory leasing of land to U.S. forces in Okinawa Prefecture.

After the consultation, Murayama told reporters he will have to make a final judgment soon on his own signing on behalf of Ota if necessary to force unwilling residents to rent their land to U.S. forces.

Ota has refused to sign the documents since the rape of a local schoolgirl in September, for which three U.S. servicemen have been indicted.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military facilities

in Japan. The rape touched off a chorus of calls for a reduction in the U.S. military presence in the prefecture.

Both Murayama and Ota said they may meet again, if necessary, to discuss the issue of U.S. military bases in Okinawa further.

Hashimoto Wants Murayama To Act on Okinawa Bases

*OW0511084595 Tokyo KYODO in English
0826 GMT 5 Nov 95*

[FBIS Transcribed Text] Saga, Japan, Nov. 5 KYODO — Ryutaro Hashimoto, president of the Liberal Democratic Party (LDP), called on Prime Minister Tomiichi Murayama on Sunday [5 November] to act swiftly to continue the forced leasing of land to U.S. forces stationed in Okinawa Prefecture.

At a news conference in Saga, Hashimoto, who is also deputy premier and trade minister in Murayama's coalition government, said the prime minister should act before his Nov. 20 summit meeting in Tokyo with U.S. President Bill Clinton.

"Japan-U.S. relations are the most important diplomatic relationship and we have to keep them that way for years to come," Hashimoto said, adding the bilateral security treaty is the basis for that relationship.

On Saturday, Murayama met Okinawa Gov. Masahide Ota on the land lease issue and later hinted that he will decide soon whether to use his authority to force unwilling Okinawa residents to continue leasing their land to U.S. forces stationed on the southwestern Japan island.

Gov. Ota has refused to sign documents necessary for the continued leasing of land and has stressed that he will not change his mind.

Hashimoto said at his news conference in Saga, western Japan, that the ruling coalition of the LDP, Murayama's Social Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger] is firmly determined to win Diet passage of legislation revising the Religious Corporations Law.

He said 80 percent of the Japanese people are in favor of such revision following a series of crimes allegedly committed by the Aum Shinrikyo religious cult.

The largest opposition party, Shinshinto (New Frontier Party), is against the proposed changes. Shinshinto is backed by the politically active Soka Gakkai lay Buddhist organization.

Yamasaki Wants Murayama To Launch Proxy Signing

*OW0611031995 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 3 Nov 95 Morning Edition p 2*

[FBIS Translated Text] On 3 November during an early morning program on TBS Television, Taku Yamasaki, Liberal Democratic Party Policy Research Committee chairman, commented on the issue of Okinawa Governor Masahide Ota refusing to take part in the proxy signing procedures for forcing the use of land for U.S. military purposes. He stated: "Based on Prime Minister Tomiichi Murayama's own decision, procedures should be launched following the Murayama-Ota talks (on 4 November) and before the Japan-U.S. summit talks (on 20 November)."

Murayama To Start 'Proxy Signing' Procedures

*OW0511065595 Naha RYUKYU SHIMPO
in Japanese 5 Nov 95 Morning Edition p 4*

[FBIS Translated Excerpt] Governor Masahide Ota has rejected carrying out the procedures for "proxy signing" of contracts for enforced lease of land to be used for U.S. military bases. Hence, it has become fairly certain that Prime Minister Tomiichi Murayama will start legal procedures based on the Local Government Act such as issuing "recommendations [kankoku]," or "ordinance [meirei]," and "appealing to the court [teiso]" in connection with the order of execution of duties.

Procedures now in progress for the enforced use of land concern the use of land lots that has been approved by Prime Minister Murayama. Among them, the contract with one landowner will expire at the end of March 1996 and contracts with 2,926 landowners will expire on 14 May 1997. Of these contracts, those subject to "proxy signing" concern 35 landowners because either the landowners themselves or mayors of the respective cities, towns, or villages have rejected signing them or put their name chops on protocols [choshō] connected with land lots or real rights [bukken]. The Director General of the Naha Defense Facilities Administrative Bureau [DFAB] requested Governor Ota to sign the documents concerned on 21 August.

History indicates that military bases on Okinawa were forcibly requisitioned with bayonets and bulldozers. The actual situation indicates the recurrence of incidents and accidents connected with U.S. forces and of criminal cases involving U.S. servicemen. Moreover, due to the prefectural residents' indignation caused by the rape of a schoolgirl by U.S. servicemen on 4 September, it is feared that military bases on Okinawa may be turned into permanent fixtures through the "redefining of the security arrangements." On the basis of the

above factors, Governor Ota disclosed his intention to reject "proxy signing" in his reply to questions at the regular session of the prefectural assembly held on 28 September.

Proxy Signing

This is a step in the procedures for enforced use of land with those land owners who have rejected signing contracts on leasing land for use by the U.S. Forces as subjects. [passage omitted on details of required procedures]

The Number of Land Owners Requiring Proxy Signing by Okinawa Prefecture

City/Town	Names of Facilities	Land Owners Village Number	Land Lots Areas	(in approximate square meters)
1. Yomitan Village	Senaha Communications Facilities	2	2	1,400
	Sobe Communications Site	1	1	200
	Kadena Ammunition Storage Area	10	7	4,200
	Torii Communication Station	2	2	1,000
	Total	15	12	6,800
2. Okinawa City	Kadena Ammunition Storage Area	2	1	1,300
	Camp Shields	1	1	1,500
	Kadena Air Base	7 (2)	13	9,800
	Total	10	15	12,600
3. Naha City	Naha Port Facilities	10	23	15,800
	Grand Total	35 (2)	50	35,200

Remarks: The number of land owners listed as (2) under the Kadena Air Base are the same land owners listed as 2 under the Kadena Ammunition Storage Area (in Yomitan Village).

Nosaka Urges Early Start of Okinawa Base Panel

OW0611053295 Tokyo KYODO in English
0349 GMT 6 Nov 95

[FBIS Transcribed Text] TOKYO, Nov. 6 Kyodo — Chief Cabinet Secretary Koken Nosaka said Monday [6 November] the central and Okinawa prefectural governments should launch a high-level consultative body between them over possible downsizing of U.S. forces stationed on the southwestern Japanese island.

The top government spokesman told a news conference the panel needs to begin discussing specific ways to reduce the U.S. military presence in Okinawa as quickly as possible so local residents can enjoy a better life.

Prime Minister Tomiichi Murayama has proposed setting up a panel between the national and prefectural

governments to discuss a cutback on U.S. troops in Okinawa whose residents are furious about the rape of a local schoolgirl, for which three U.S. servicemen have been indicted.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military facilities in Japan.

Okinawa Gov. Masahide Ota has staunchly refused to sign documents needed for the continued compulsory rental of land to U.S. forces in his prefecture.

After a meeting with Ota on Saturday, Murayama indicated his readiness to take legal action soon to sign the documents himself on behalf of the governor.

Uehara, Others Discuss Okinawa Base Issues

OW0611163295

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2316 GMT on 4 November in its regular "News 2001" program carries a 26-minute live panel discussion on issues related to U.S. military bases on Okinawa. Appearing as guests on the program moderated by Yuji Kuroiwa and Junko Hamada are Kosuke Uehara of the Social Democratic Party of Japan, Hajime Funada of the New Frontier Party, Seiji Maehara of the Sakigake [Harbinger Party], Thomas Hubbard, U.S. deputy assistant secretary of state, and political commentator Kenichi Takemura.

At 2317 GMT, Kuroiwa asks Uehara, who appears on the program via remote hookup from Okinawa, to comment on the outcome of a meeting on 4 November in Tokyo in which Prime Minister Tomiichi Murayama and Okinawa Governor Masahide Ota discussed the issue of the governor's refusing proxy signing to force land owners to lease land for use by U.S. military forces in Okinawa. Uehara says it was natural for Ota to refuse proxy signing since that was his campaign pledge in the Okinawa gubernatorial election. Uehara indicates that Murayama will eventually have to sign the lease documents himself because "otherwise, it would lead to various complications."

Funada stresses that since the Japanese-U.S. security arrangement is important not only for Japan but for the stability of the entire Asia-Pacific region, Murayama will have to promptly take appropriate action to avoid a situation where some lease contracts will expire and some plots of land will be illegally occupied by military bases.

Maehara agrees that the prime minister will have to take over the proxy signing.

At 2321 GMT, Kuroiwa points out the gap between the central government's plan for improved implementation of the Status of Forces Agreement [SOFA] and the Okinawa prefectural government's petition calling for review of SOFA. Uehara says that since a review of SOFA would be a "diplomatic matter," it would be very difficult to press for all of Okinawa's demands but that the Japanese Government should pay due respect to the prefectural government's petition and have the matters taken up at the negotiating table with the U.S. Government because "Okinawans are angry for having the door slammed in their faces" every time they petitioned the Japanese Government in the past. He stresses the government has to come up with concrete plans to convince the Okinawan people.

Asked whether the U.S. Government has any intentions of holding discussions with the Japanese Government over a possible review of SOFA, Hubbard, who also appears on the program via remote hookup from Washington, indicates that the U.S. Government has no intention of changing SOFA but that it is possible to make improvements within the SOFA. He also mentions the possibility of relocating military bases on Okinawa to elsewhere in Japan.

Maehara shows understanding on Hubbard's comments saying: "Revision of SOFA would involve a lot of work like getting approval of both the Japanese Diet and the U.S. Congress."

Funada also agrees, saying: "Changing even a single section could result in a major change of the agreement, and that could lead to an overall review of the security arrangement itself." However, he stresses that sincere discussions should be held without deciding from the beginning whether SOFA should be changed or not.

Takemura stresses that the public should be aware that laws and regulations cannot be changed so easily — that "public anger cannot change laws overnight." He points out that Murayama has to file a suit against Ota on the proxy signing issue because that is the law. With respect to Uehara's stressing the anger and dissatisfaction of the Okinawan people, Takemura points out that the central government and the Japanese people should really reflect on failing to give due consideration to the feelings of Okinawan people.

Regarding whether U.S. military forces in Okinawa can be scaled down, Uehara says he feels "that it is possible, although not right away." Considering current trends in the post-Cold War era, he stresses that while a certain level of tension continues to exist in Asia, military bases can be gradually scaled down, and what is necessary here is to "propose concrete plans every five or 10 years."

Asked whether it would be possible to scale down U.S. military forces in Japan and whether troops in Okinawa have to be kept where they are, Hubbard says the United States is always prepared to scale down military forces and that troops can be moved anywhere within Japan as long as the current force of 47,000 can be maintained.

At 2332 GMT, the program shows a recorded interview with military analyst Kazuhisa Ogawa, who asserts that Japan is a strategic base for the United States in the latter's bid to remain a world leader. He claims that since Japan supports the stationing of U.S. forces in Japan by providing over 620 billion yen from Japanese taxpayers' money in 1995 alone, Japan is on a equal

footing with the United States and is not being simply protected for free.

In this regard, Kuroiwa asks Hubbard whether Japan should be able to stand up and say what it really wants to say. Hubbard replies that the Japanese-U.S. security arrangement is not meant to just defend Japan but is a part of the overall U.S. defense policy covering security in Asia as well. He stresses that military forces of roughly 100,000 are needed in the region to maintain stability there and that 47,000 in Japan is an appropriate figure.

Uehara points out that such logic is based on a U.S. viewpoint and indicates that he disagrees with it, saying: "I would like the U.S. Government to look five or 10 years into the future to determine what to do about defending Japan as well as the bilateral relationship. I would also like the U.S. Government to review its East Asian strategy since it was drawn up last February based on the past situation when there was tension between the United States and the DPRK over the latter's suspected development of nuclear arms." Uehara also stresses that further exchange of opinion should be promoted among Japanese dietmen and U.S. congressmen over Okinawa's military base issues and security affairs in Asia in the 21st century.

Takemura says the Japanese public needs to be made more aware through television programs and other ways of the significance of the Japanese-U.S. security arrangement and given thorough explanation on why Japan needs the security arrangement. He also points out the lack of emphasis in Japan on the fact that "countries in Asia desire U.S. military presence in the region to balance out the pressure these countries feel being applied by China."

Funada points out that "the significance of the Japanese-U.S. security arrangement has not changed regardless of whether the Cold War structure has collapsed" since Korea still remains divided, China and Taiwan are still in dispute, and there is the case of Russia.

Maehara agrees that Japan has certainly benefited from the bilateral security arrangement. However, he doubts whether it would be necessary to maintain 100,000 troops in the Asia-Pacific region due to the easing of tension in the region in the post-Cold war era. He suggests the Japanese and U.S. Governments discuss scaling down U.S. forces and consider what Japan can provide or do to offset the reduction.

Hubbard agrees that the situation has changed after the collapse of the Cold War structure but reiterates that 47,000 troops have to be maintained in Japan at the present. Asked what is the basis for this figure, Hubbard

says this is what has been determined as the appropriate figure and that the Japanese Government agrees with it.

Asked whether the DPRK is no longer a threat following the conclusion of the latest U.S.-DPRK accords, Hubbard says he does "not sense the same degree of crisis" as in the past. He stresses efforts are being made to further reduce the possibility of threats from the DPRK.

Defense Draft Urges Closer Ties With U.S.

*OW0611135095 Tokyo KYODO in English
1324 GMT 6 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — A final draft of the nation's new basic defense program outlined by the Defense Agency calls for closer military ties with the United States, describing the bilateral security system as important to national security.

"Close cooperation under the Japan-U.S. Security Treaty provides a basis for maintaining U.S. commitment and the U.S. military presence needed for regional peace and plays an important role in our national security and international stability," says the document, a copy of which was obtained Monday [6 November] by KYODO NEWS SERVICE.

The draft document defends enhanced military cooperation between Tokyo and Washington as necessary to deal with uncertainty in the international situation, clouded by tension on the Korean peninsula despite reduced danger of worldwide conflicts in the post-Cold War era.

It also cites military buildup moves in many neighboring countries, without naming China and despite a reduction seen in Russian Far East troops, as requiring closer Japan-U.S. military cooperation.

The final draft, to be presented Tuesday to the government's National Security Council chaired by Prime Minister Tomiichi Murayama, remains subject to final approval by the cabinet scheduled for next month.

But government sources said the final draft is likely to run into strong opposition from Murayama's Social Democratic Party and New Party Sakigake, two pacifist groups in the tripartite ruling coalition, as the U.S. military in Japan has come under public fire over the rape of an Okinawa schoolgirl, allegedly by three U.S. servicemen.

The new program, if approved by the cabinet, would replace a 1976 national defense program mapped out in the Cold War era.

As in the previous draft, the final draft scheme calls for a reduction in self-defense forces front-line strength while urging the introduction of more high-tech weaponry.

A draft table prepared for the defense program and submitted to the National Security Council last month calls for a 20 percent cut in the ceiling on Ground Self-Defense Force (GSDF) personnel in exchange for a standing reserve system with a maximum of 18,000 troops.

Among other key points in the final draft defense program are:

- The GSDF should have at least one mechanized unit in each brigade or division.
- The GSDF should have ground-to-air defense missile units in important defense areas.
- The Maritime Self-Defense Force (MSDF) should have at least one fleet of destroyers to enhance mobility in MSDF front-line strength.
- The Air Self-Defense Force should have units keeping almost all nearby air space under surveillance, and fighter and ground support units capable of meeting air and land invaders.

Governor Ota on Base-Free Development Program

*OW0511110595 Tokyo KYODO in English
1044 GMT 5 Nov 95*

[FBIS Transcribed Text] Naha, Japan, Nov. 5 KYODO — Okinawa Gov. Masahide Ota said Sunday [5 November] he proposed in a weekend meeting with Prime Minister Tomiichi Murayama an "action program" aimed at transforming his prefecture into an international zone free of U.S. military bases by the year 2015.

Ota hinted that he will vigorously contest in court the central government's potential move to force reluctant landowners in Okinawa Prefecture to continue leasing their land to U.S. forces stationed on the southwestern Japanese island.

Ota said he presented the blueprint of his action program in talks Saturday with Murayama.

The action program calls for establishing an international resort zone in northern Okinawa as part of the nation's next development program and replacing the Futenma air field in Ginowan with an international academic city replete with schools and a convention center.

The governor said he also asked Murayama to lift water and sea zone regulations to pave the way for the utilization of land lots Okinawa hopes the U.S. military will vacate, as part of a comprehensive review of the Status of Forces Agreement.

Murayama said Saturday after his meeting with Ota that he will decide soon whether to use his authority to force

unwilling Okinawa residents to continue leasing their land to U.S. forces stationed there.

Ota has refused to sign documents necessary for the continued leasing of land since the rape of a 12-year-old local schoolgirl in early September, for which three U.S. servicemen have been indicted.

The rape sparked fierce opposition among people in Okinawa to the U.S. military presence in the prefecture, about 1,600 kilometers southwest of Tokyo and home to some 75 percent of U.S. military facilities in Japan.

NFP on 'Distribution' of USFJ Bases to Asia

*OW0611010695 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 4 Nov 95 Morning Edition p 2*

[FBIS Translated Text] Regarding reorganization and consolidation of U.S. military bases on Okinawa, members of the New Frontier Party [NFP] are talking about the idea that Japan, in the long run, should seek distribution of U.S. Forces in Japan [USFJ] bases to other Asian countries. At a party executive meeting on 30 October, Deputy Secretary General Yuichi Ichikawa and other senior members expressed their agreement.

The NFP's "investigative committee for base issues" (chaired by Iwao Matsuda) is currently preparing a proposal for reduction of U.S. military bases on Okinawa. To maintain USFJ functions, the party plans to relocate Okinawa bases to mainland Japan.

Nevertheless, it seems that Ichikawa wants to distribute the U.S. military bases to other Asian countries, mainly ASEAN nations. He thinks distribution of U.S. bases will improve security in each country and thereby contribute to overall stability in Asia. Commenting on the government's plan to reaffirm the importance of Japan-U.S. security arrangements, Ichikawa said: "Japan should insist on the need for base redistribution for peace and stability in the Asia-Pacific region."

On Ichikawa's idea, Nobuaki Futami, in charge of security policies of "tomorrow's cabinet," said that it is "not a firm opinion in the party." At the same time, Futami also said: "It is fine with me if the government talks to Asia-Pacific nations, asking them to bear their share of responsibility." In this way, he expressed an intention to study Ichikawa's view in a party organ as a long-term task.

However, there is a deep-rooted view in the party that "Asian countries may express opposition if Japan introduces a plan to relocate U.S. bases to Asia." Because of this, coordination of opinions in the party will take some time.

Ozawa Sympathizes With Okinawa Over U.S. Bases
OW0411011495 Naha OKINAWA TIMES in Japanese
2 Nov 95 Morning Edition p 3

[FBIS Translated Text] New Frontier Party [NFP] Secretary General Ichiro Ozawa, who is visiting Okinawa to deliver a lecture, and Okinawa Governor Masahide Ota talked about the U.S. military bases and other issues for about 15 minutes at the Okinawa Prefectural Government building on the afternoon of 1 November. At the meeting, Ozawa showed understanding of the circumstances in Okinawa, where U.S. military bases are highly concentrated. He said: "The tasks and costs required to maintain the Japan-U.S. security arrangements should be shared by all Japanese citizens. I would like to assert this on every occasion."

Ota explained to Ozawa why he had refused to undertake the proxy signing of documents needed for the forced use of land for U.S. military bases. He also pointed to danger Futenma Air Base would inflict on many neighboring schools, and called for the NFP's cooperation in solving base-related issues.

The governor also told him that the free trade zone in Okinawa has suffered from sluggish business performance, saying: "We would like to take drastic steps that will contribute to Okinawa's economic development. For example, we want to bring to fruition such ideas as transforming the entire Okinawa Prefecture into a free trade zone."

On the evening of the same day, Ozawa gave a speech at a political and economic seminar held in a Naha hotel to mark the founding of the NFP's prefectural federation. He stressed again that the bilateral security arrangements are necessary, while adding that the burden of military bases should be shared by all Japanese citizens.

He also called on the 2,000 or so participants to support Taiichi Shiraho, who is scheduled to run in the first constituency, and Seiji Nakamura, who is due to run in the second constituency, in the next House of Representatives elections.

Difficulty Predicted on Okinawa Bases Settlement
OW0611132995 Tokyo ASAHI SHIMBUN
in Japanese 5 Nov 95 Morning Edition p 2

[FBIS Translated Text] Following the 4 November meeting between Prime Minister Tomiichi Murayama and Okinawa Governor Masahide Ota, the government has started efforts to create favorable conditions for the prime minister to sign documents by proxy needed to force unwilling landowners to continue leasing their land to U.S. forces on Okinawa. The government plans

to talk with the United States about Murayama's proxy signing at a joint forum to discuss the reduction and consolidation of U.S. bases. As part of such efforts, the government is arranging Defense Agency [DA] Director General Seishiro Eto's visit to Okinawa on 11-12 November. However, because it is still uncertain whether Okinawa's demands for the reduction of military bases and revision of the Japan-U.S. Status of Forces Agreement [SOFA] will come into effect, the government may have difficulty in gaining Okinawa's understanding on the proxy signing.

The DA puts its hopes on the new forum which Tokyo and Washington have agreed to set up. It considers the forum the "last resort" to win Okinawa's understanding because "the Japanese and U.S. Governments can discuss all issues concerning the Japan-U.S. Security Treaty at the forum, including the reduction and consolidation of U.S. military bases, environmental problems at training grounds, and noise pollution caused by military aircraft," (as stated by DA head Eto). The DA hopes discussions at the forum will prevent Okinawa from adopting delaying or other tactics to oppose the proxy signing.

Yet, the government is careful about the selection of topics to be discussed at the forum. A senior DA official said: "Okinawa's disappointment will be greater if the forum discusses plans that are hardly practical." Meanwhile, Okinawa intends to persistently demand the drastic reduction of military bases and revision of SOFA. As such, there is a discrepancy between the government and Okinawa on what the forum should discuss.

Japan and the United States have agreed to promote procedures for the return of 23 U.S. facilities to Okinawa, and Tokyo has pledged to realize the return of 10 of these facilities by the end of the year. However, it will be difficult for the government to fulfill this pledge because some landowners are expected to oppose the return of their land for fear of losing income from the land. In this case, the government will have to persuade them to agree to the return of their land.

With regard to the revision of SOFA Okinawa has demanded, the Japanese and U.S. Governments have agreed that the revision should not be made. The two countries will only review the implementation of the agreement. However, Okinawa has made extensive demands regarding changes to SOFA, including the return of military bases which have harmful effects on development being carried out by local governments and the review of preferential taxation for military personnel. Thus, it will be difficult to satisfy Okinawa by merely reviewing the implementation of the accord.

Editorial Urges Lightening Burdens on Okinawa

*CW0411135195 Tokyo MAINICHI SHIMBUN
in Japanese 2 Nov 95 Morning Edition p 3*

[Editorial: "Sincere Efforts To Lighten Burdens Urged"]

[FBIS Translated Text] Ten 10 days ago, U.S. Defense Secretary William Perry appeared on a U.S. NBC television program and stated his views on the issue of realigning and consolidating U.S. military bases on Okinawa. Secretary Perry said, "Any proposals for base realignment that the Japanese Government makes will be taken into consideration. However, the Japanese Government has made no such proposals at this time."

On the previous day, 21 October, a rally attended by 85,000 people was held in Okinawa to protest the rape of a schoolgirl by U.S. servicemen.

In making the above remarks, Secretary Perry must have judged that if the Okinawan people's feelings against the bases should become further intensified, the foundation of the Japan-U.S. security arrangements could be shaken. Therefore, he promised that if the Japanese Government makes any proposals, the issue on consolidation and relocation of bases will be studied.

Secretary Perry is in Japan now. Through his talks with Foreign Minister Yohei Kono and Defense Agency Director General Seishiro Eto on 1 November, Secretary Perry indicated readiness to compromise to a certain extent — as he stated on the TV program — on issues connected with bases on Okinawa.

In concrete terms, for example, it has been decided that 10 cases, such as the partial return of Camp Hansen, should be settled before the end of the year; and that a "special action committee" will be set up between the Japanese and U.S. Governments to study other pending issues, such as the return of Futenma Air Base.

Among the concerned issues, an accord was reached on settling 10 cases, including the return of Camp Hansen, at the Japan-U.S. Joint Committee session held in 1990. Since then, those cases were left untouched without any further development at all.

Concerning these 10 cases, the Defense Facilities Administration Agency has merely explained to the Okinawan people that no development has been made because of failure to find substitute locations. Therefore, the Okinawan people are strongly dissatisfied and they wonder whether efforts have been actually made for the return of military land. At long last, a promise has been made this time to settle the cases with the time limit of "within this year." In this connection, it can be said that progress, though very minor, has been made.

With regard to U.S. bases on Okinawa, we have asked both the Japanese and U.S. Governments to disclose plans for realignment and reduction, including the review of composition and arrangement of U.S. forces itself.

However, the major point at issue lies in the fact that the Japanese Government has made no definite or concrete proposals, as has been clearly revealed in Secretary Perry's TV remarks mentioned in the first paragraph.

Since the rape case involving U.S. servicemen was reported, the Prime Minister's Official Residence, the Foreign Affairs Ministry, and other concerned agencies have fallen behind in taking adequate measures to handle issues. Here is one good instance: Concerning the demand for reviewing the Status of Forces Agreement [SOFA] in connection with the process for criminal jurisdiction, the government has maintained that no request will be made for SOFA revision. However, under pressure imposed by public opinion, the government later changed its policy.

The government has also been slow in taking action to deal with the realignment and reduction of bases. As far as the Okinawan people are concerned, the Japanese Government has shown no sincerity in settling these issues.

The government should have realized the seriousness of the rape case at an early stage, and should have taken prompt action in requesting the U.S. to review the SOFA agreement and the realignment and reduction of bases.

For Okinawa, the 10 cases brought up by Secretary Perry are regarded, in a sense, as cases that have already been taken into consideration. The fact is that the settlement of other pending cases has been delayed. Therefore, efforts should be made to have them settled within specified time limits.

Based on a number of U.S. proposals, Prime Minister Tomiichi Murayama is scheduled to hold talks on 4 November with Okinawa Prefecture Governor Masahide Ota, who has rejected signing documents on enforced use of military land by proxy. Now the point at issue is whether Okinawa will be convinced.

The government should continue to request an overall review of the SOFA agreement, including restrictions on low-altitude flights and use of aerial and water areas by U.S. military planes. At the same time, the government should make concrete requests to the U.S. for further realignment and reduction of bases.

Even if the significance of the Japan-U.S. Security Treaty should be reaffirmed, it will be impossible to win support unless sincere efforts are made to lighten

burdens imposed on residents of Okinawa Prefecture by an extreme concentration of bases there.

Editorial on U.S. Military Bases on Okinawa

OW0511140395 Naha RYUKYU SHIMPO
in Japanese 3 Nov 95 Morning Edition p 5

[Editorial: "It Is Possible To Reduce Two-Thirds of the Military Strength — Closure of U.S. Military Bases Is Trend of the Times"]

[FBIS Translated Text] U.S. Defense Secretary William Perry, who visited Japan, reiterated in his talks with the top Japanese Government official that the United States intends to maintain the current system of deploying 100,000 U.S. troops in the East Asian and Pacific regions and of stationing 45,000 troops in Japan, with most of them in Okinawa. However, we are convinced that there is a great possibility that the U.S. Forces stationed in Okinawa can be reduced by two-thirds. We believe that there will be major changes within 10 years in the U.S. strategy of forward deployment of its military strength in the East Asian and Pacific regions. The closure of U.S. military bases conforms to the irresistible major trend of the times.

Incidentally, the observation that major changes toward reducing U.S. military forces in the East Asian and Pacific regions will take place within 10 years may be criticized as too optimistic. In fact, in his speech at the Japan National Press Club on 1 November, Secretary Perry emphasized: "The Cold War has come to an end but the Japan-U.S. security arrangements still remain of great significance to peace and stability in Japan and the Asia-Pacific region as well." Thus, he disclosed that the current scale and system of military deployment will not be changed.

While approving this U.S. policy, the Japanese Government leadership will redefine Japan-U.S. security arrangements at the talks to be held between Prime Minister Tomiichi Murayama and President Bill Clinton in November. In other words, at a time when the threat from the [former] Soviet Union has ceased to exist, efforts will be made to redefine the significance of the security arrangement, which is an outcome of the Cold War, by expanding its framework of covering our two countries to that of covering the whole of East Asia, and even the whole world.

Pressure of Reviewing Also Noted in the United States

Nevertheless, we take such moves as remnants of the Cold War ideology. Whether overseas or at home, the demand for "base closure" is a trend that has come at the conclusion of the Cold War. In Europe and in

the United States as well, plans for troop reduction and base closures have been implemented since the end of the Cold War, and they are still being carried out. In the continental United States, the policy of realigning bases has been implemented in full scale since 1988. As a result, 495 major bases located in the continental United States have been reduced by 21 percent to 392 as of March 1995.

The United States has the largest amount of debts in the world. For the United States to rebuild its deficit-stricken finance, it has become necessary to further reduce its national defense expenditures and realign its bases in a reasonable way. In consideration of the possible unemployment problem or effects on local economies that the closure of domestic bases may bring about, views have been voiced in the U.S. Congress since 1988 calling for first reviewing the roles of bases in Europe and Asia and closing them down. However, various antibase movements have been reported in countries where U.S. Forces are stationed. For example, there have been reports on the rape of a schoolgirl involving U.S. servicemen and on Okinawa Governor Masahide Ota's rejection to sign proxy documents needed for compulsory land lease for U.S. military bases. As a result, U.S. public opinion and the U.S. Congress can be expected to exert stronger pressure for reviewing overseas military bases.

The reason the U.S. Forces can be barely stationed in Japan lies in the fact that "more than 70 percent of costs for stationing U.S. Forces in Japan is paid by the Japanese Government," as Secretary Perry pointed out in his speech at the Japan Society in New York last September. A large portion of expenses, except for pay for U.S. servicemen, is paid from our taxes.

The government has handled the defense budget in a more generous way than its other budgets as can be noted in the defense budget's increase rate as compared with that of the previous fiscal year. Our people as well as the Diet will now keep a closer watch on the budgets. Under the circumstances in which the defense budget is limited and the budget for the Self-Defense Forces has been cut, it will hardly be possible for defense officials to be pleased — despite their official views — with an increase in the share of expenses for U.S. Forces in Japan.

Trade frictions between Japan and the United States as well as U.S. pressure on Japan to open up its market have aroused potential anti-U.S. feelings at the "grass-root" level among local farmers, producers, and small businessmen. In one sense, the rape of a schoolgirl by U.S. servicemen must have given a stimulus to the naive nationalism among the Japanese people.

Transfer Marine Corps Units to Hawaii

Since both the economic and political systems of Japan are in a confused state and also in the process of transformation at present, we cannot be sure if Japan would be able to support the stationing of U.S. Forces in Japan forever.

Even if the defense chiefs of both Japan and the United States should try to redefine Japan-U.S. security arrangements and justify the current system of stationing 100,000 troops in this region, we do not think their efforts would be very convincing.

Just as in Okinawa, Subic Naval Base and Clark Air Base in the Philippines used to be positioned as U.S. strategic strong points playing a vital role in ensuring regional security. These two bases have been closed down but the resultant military vacuum has caused no hindrances. On the contrary, the stationing of U.S. Forces in the Philippines used to arouse anti-U.S. feelings among the people. The United States should be able to understand this reality.

The "Kato Institute," an influential U.S. think tank, maintains in its policy recommendations to the U.S. Congress that military strength should be withdrawn from Japan and the ROK, and a reduced strength should be concentrated on Wake Island, and around Guam and Hawaii.

Since the seventies, it has been suggested that U.S. Marine Corp [USMC] units stationed on Okinawa be withdrawn to somewhere near Hawaii so that they can be promptly deployed as emergencies may require. There is a great possibility of translating this concept into reality. USMC troops stationed in Okinawa are the only division-level unit that the United States deploys overseas. Among approximately 29,000 troops stationed on Okinawa, there are about 18,000 Marines, accounting for about 62 percent. USMC bases, training areas, and other facilities account for over 75 percent of U.S. military bases as a whole. It is quite possible to reduce more than two-thirds of this military strength.

What is required of us now is that while taking into account the possible closure of a large number of military bases in the future through the control of the speed of the trend toward reduction of U.S. military strength and closure of military bases, we must speed up creation of conditions and programs for promoting exchanges in trade, economy, and culture with mainland Japan as well as foreign countries, starting with neighboring countries; and for promoting industrial development and urban projects in Okinawa for the next century on the basis of the use of land to be returned. It goes without saying that during this

process, it will be necessary to take measures to provide compensation to military land owners and to promote changes of occupation among military base employees so that no hindrances will be brought about to the promotion of future programs.

Bureaucrats' Reactions to CIA Activities Viewed

OW0611134095 Tokyo SHUKAN DAIYAMONDO
in Japanese 4 Nov 95 pp 128-129

[Article by Tadahide Ikuta from "Deep Structure of Kasumigaseki" series: "True Reasons Why Japanese Bureaucrats Do Not Make Noise Over Covert CIA Activities During Japan-U.S. Negotiations"]

[FBIS Translated Text] The U.S. Central Intelligence Agency (CIA) eavesdropped on exchanges between senior Ministry of International Trade and Industry (MITI) officials and top Japanese automaker leaders in the Japan-U.S. automobile negotiations. Such reports were made by the LOS ANGELES TIMES in its 23 July issue and the NEW YORK TIMES in its 15 October issue.

In this regard, U.S. Trade Representative Mickey Kantor, who reportedly received information from the CIA, replied at a news conference, "Our government has never made any comment on matters related to intelligence." Thus he continues to evade any confirmation.

To this, Foreign Minister Yohei Kono said, "If it is confirmed, a stern protest will be lodged," and MITI Minister Ryutaro Hashimoto said, "It is not a pleasant story at all." He added, "Although there is no way to confirm it, the Foreign Ministry will be consulted on how to cope with it." Tentatively, both men took a firm attitude against it.

Quite different from them was Chief Cabinet Secretary Koken Nosaka who said, "We are not aware that CIA personnel are posted and operating in Japan," and added that investigation authorities will take measures to cope with the problem if eavesdropping within the country is confirmed."

However, the response of those concerned at the ministries of Foreign Affairs, International Trade and Industry, and so on are very composed. Although some people expressed surprise, like a MITI section chief who said, "Did the CIA do such things even during the automobile negotiations?", most people do not think the CIA's intelligence activities are "unimaginable."

As a matter of fact, the CIA has publicly been saying that it would step up activities in the economic field, especially in Japan, to survive as an organization after the termination of the U.S.-USSR Cold War structure.

In the past, too, there were cases of secret CIA activities revolving around Japan-U.S. trade problems making headlines.

For example, during the 1978 Japan-U.S. negotiation on agricultural products, the citrus report allegedly compiled by the CIA "charged" that the Japanese politicians and government are conglutinated with orange importers." The report greatly influenced the negotiations and the big jolt and impact it gave the Agriculture, Forestry, and Fisheries Ministry has since become a legendary episode in the ministry.

In 1986, former CIA Director Stansfield Turner published a book, "The Inside Story of the CIA: Confessions of Former Director Turner," [translated from the SHUKAN DAIYAMONDO version in Japanese; original English title is: "Secrecy and Democracy: The CIA in Transition"] and its translated version was widely read among MITI bureaucrats. The book pointed out already at that time, "...For us it has become increasingly necessary to see through threatening intention, deception, or malice.... Therefore, we have to step up the collection of international economic materials, through espionage activities if necessary."

Following the termination of the Cold War order, active CIA officials repeatedly made remarks insinuating that they took aim at Japan as their target. On 13 April 1990, then CIA Director Webster said at a lecture at the "World Affairs Congress" in Boston: "U.S. policymaking authorities are relying on the CIA for information on 1) strategy, 2) marketing targets, 3) research, development, and production, 4) protective measures, and 5) trade barriers of nations competing with the United States in the economic field, including high technology. For the next 10 years, we will continue to attach importance to economic competitive power."

In 1991, a year after CIA Director Webster made his statement, "Japan: The Year 2000," a report the CIA commissioned the Rochester Institute of Technology to compile, was made public. Outspoken criticism of Japan was made in the report.

"Balancing the world economy is not advantageous to Japan. An apparent supremacy is what she is aiming at. Unless Americans come to recognize this threat, unless they begin to understand Japanese culture and ideas, and unless they have a number of scholars and businessmen who read and understand the Japanese language, this threat will continue to exist unnoticed.... It is apparent that the Japanese pose a serious threat to the national security of the United States."

In July last year, the DAILY YOMIURI, published by YOMIURI SHIMBUN, carried an advertisement

recruiting CIA staff with a big headline "Advertiser: the U.S. Central Intelligence Agency."

Needless to say, such concerned government agencies as the Foreign Affairs Ministry, MITI, and so on have paid thorough attention to such intelligence activities of the CIA. The reasons all government ministries and agencies remain cool over the recent revelation of CIA activities during Japan-U.S. automobile negotiations is that they knew very well about such a historical background.

"Honeymoon" Between Police and CIA Was Replaced by Cautious Mood Following Collapse of the Soviet Union

However, looking back, Kasumigaseki and the CIA could be said to have maintained comparatively "friendly relations" before the Cold War structure ended.

For example, when I was interviewing a senior MITI official, he said as if he all of sudden thought of it, "A senior CIA member is scheduled to come to my home. I am going to dine and thoroughly talk over matters with him. So let me interrupt this interview here."

It was also well known that the National Police Agency [NPA] and the CIA had "honeymoon" relations. The NPA dispatched two career bureaucrats to the CIA every year to have them "trained." It was said they went through practical training courses in espionage for about four months.

However, the dissolution of the Soviet Union, a common enemy of Japan and the United States, changed the situation. As the CIA declared launching an operation aimed at Japan and proceeded to actually step up its system, Kasumigaseki embraced an increased mood of caution and began to maintain some distance from the CIA.

At present, I do not think there are any bureaucrats who would invite senior CIA officers to their homes and exchange information.

The NPA does not look like it will continue with its CIA training.

On the contrary, it seems that the Foreign Affairs Division under the NPA Security Bureau is strengthening its watch of CIA related personnel in Japan. Senior Foreign Affairs Division officers do not deny that they are collecting information on CIA staff members by saying, "It is natural to collect necessary information, because the Security Bureau was established for the purpose of 'gathering all kinds of information.'"

According to certain sources, Foreign Affairs Division computer listings are said to have information on major foreigners staying in Japan, including Americans with such data as their purposes and dates of entry into Japan, history of overseas travel from Japan, history of changes of addresses, details about purchasing apartments including prices, major activities and associates, and so on. Needless to say, CIA personnel are no exception.

In that sense, Chief Cabinet Secretary Koken Nosaka's statement mentioned earlier that "We are not aware that CIA personnel are posted and operating in Japan" is completely "diplomatic language" and no bureaucrat in Kasumigaseki believes such remarks.

A senior official at an economic related ministry that conducted negotiations with the United States had this view: "In the past, the CIA was said to have 16,000 regular employees and dispatched 4,000 agents overseas. Everybody knows that it has its Tokyo branch in the U.S. Embassy in Tokyo. In the past, the branch was reported to have about 50 men but I assume that the number has increased greatly since then. Because there are collaborators among Americans, Japanese, and so on in Japan, it is legitimate to assume the total number of those with the CIA and related to it in Japan is over 600."

On the other hand, a former NPA head said, "It is wrong to talk about CIA-related people on the same plane as we talk about the KGB people of the old Soviet Union."

"Because Japan and the United States are 'friendly nations' to the end, it is impossible to tail each CIA personnel who is a U.S. Government employee on the grounds that they are involved in intelligence activities.

"It is an entirely different matter when they are caught 'red-handed' in apparent illegal acts of eavesdropping, opening sealed letters, and so on. However, I doubt Japan can take such a stern action as the French Government took this February when it expelled five embassy staff from the country.

"I am of the opinion that it does not matter at all (for the United States and Japan) to mutually engage in active intelligence activities, if one adheres to the rule of not violating the other country's laws."

However, this former NPA head warned against the rising demand for "creation of an intelligence organization in Japan" taking advantage of the recent controversy and advised maintaining calm by saying, "it is dangerous and it is better not to go into hysterics."

Purpose of CIA's Leaking Wiretapping Viewed

*OW0611143795 Tokyo EKONOMISUTO in Japanese
14 Nov 95 p 16*

[Unattributed "Line Up" column: "CIA Wiretapping Case and U.S. Government Committee on Reorganizing Intelligence Agencies"]

[FBIS Translated Text] The Central Intelligence Agency's [CIA] wiretapping Japanese Government officials was brought to public attention by an article carried in THE NEW YORK TIMES on 15 October; however, the issue was reported earlier by the LOS ANGELES TIMES on 23 July. It is believed that THE NEW YORK TIMES report was written based on a leak from the CIA because the agency did not satisfy questions (especially from the Japanese mass media) with its dull responses to the LOS ANGELES TIMES article.

There are growing demands for abolishing the CIA. Now that the Cold War is over, people are beginning to question if it is really necessary to maintain the huge organization with over 10,000 full-time staff and an annual budget of over \$33 billion. In February 1995, the Clinton administration set up a committee on reorganization and rationalization of the CIA and other intelligence agencies to work out an advisory report next March. Even before the report, President Bill Clinton intensified his anti-CIA stand. His CIA policy gained public support in connection with the recent trend of administrative reform.

On the other hand, the CIA activated an expensive computer network codenamed "Intelink" [as published] earlier this year. As the CIA is seeking opportunities for a second boom focusing on reinforcement of capabilities to handle economy-related intelligence, the computer network is a good tool to demonstrate the merits of its espionage operations. This is why the CIA again leaked information on its own spying operations, watchers said.

It is said that information covered by the Intelink network includes career records of executives of Japanese high-technology manufacturers as well as profiles of their family members.

Article Details U.S. Intelligence Activities

*OW0611055395 Tokyo AERA in Japanese 30 Oct 95
pp 15-17*

[Article by AERA editorial board member Shunji Taoka: "'Unguarded' Japan is the Target of U.S. Spies"]

[FBIS Translated Text] On 15 October, the NEW YORK TIMES reported the "activities" displayed by

the Central Intelligence Agency [CIA] during the Japan-U.S. auto negotiations: "U.S. trade officials were accompanied everywhere by a small team of intelligence officers. Each morning, they gave U.S. Trade Representative Mickey Kantor and his aides inside information gathered by the CIA's Tokyo station and the electronic-eavesdropping conducted by the National Security Agency [NSA], which was sifted by CIA analysts in Washington. Mr. Kantor received descriptions of conversations between Japanese bureaucrats and auto executives from Toyota and Nissan who were pressing for a settlement, and read about the competing pressures on Japan's Trade Minister, Ryutaro Hashimoto."

Actually, Hashimoto, who rejected the U.S. demands, returned home a winner, so the eavesdropping was a futile effort.

Is Japan the Soviet Union's Successor?

U.S. intelligence agencies, including the CIA, are at a loss at how to justify their existence with the end of the East-West confrontation. The intelligence agencies' total expenses for 1995 was about \$28 billion, of which \$3 billion was allocated to the CIA. However, in the next five years, the intelligence expenses will be curtailed by a total of \$14 billion, and 25 percent of the CIA's 20,000 officials (of whom, 4,000 are stationed overseas) will be reduced.

Moreover, in January this year, a bill was presented to the upper house proposing the integration of the CIA with the State Department by abolishing the CIA. Furthermore, in February, former Defense Secretary Aspin was appointed chairman of the CIA's Investigation and Advisory Committee [as published]. Chairman Aspin will submit his report to Congress by next March, and there is a strong possibility that reduction and reorganization plans will be submitted [as published].

Therefore, for its survival, the CIA is making a frantic effort to publicize the fact that it is serving the best interests of the United States by gathering the economic and technological information of allied nations. This is plainly expressed in the press news above.

In April 1990, five months after the fall of the Berlin Wall, then CIA chief Webster said during a lecture in Boston, "We have established the Planning and Adjustment Bureau [as published], which plans an information strategy against U.S. economic competitors, such as Japan and Europe." Thus, he made Japan one of the "successors" of the Soviet Union.

In April 1992, then CIA chief Gates said in Detroit, "About 40 percent of the CIA's operations have to do with the economic sector, and two-thirds of the budget will be allocated to that sector." In December 1993,

former CIA chief Woolsey, during a national radio show, said: "Some of our friendly and allied nations are spying on U.S. enterprises. Our role is to protect U.S. enterprises from spies."

While successive CIA chiefs have emphasized the CIA's role in economic competition, it entrusted a research project to Rochester Institute of Technology in New York, and the institute published "Japan in the Year 2,000" in April 1991, in which animosity against Japan is openly shown: "Japan is aiming at world conquest through its economic power. Japan believes in racial discrimination. Japan's inherent inhumanity collides with the Western idea that values moral principles."

Former CIA chief Woolsey declared that the CIA would not engage in industrial espionage because it had difficulty in deciding on enterprises to which information should be given. However, it was reported in the United States in April 1994 that secret information concerning high-performance next generation batteries, which were being developed by a Japanese maker, had been leaked to the U.S. auto industry through the CIA, and that the CIA had succeeded in penetrating Japanese auto makers.

During the Cold War period, the CIA stationed 40-50 officials in Japan under the name of diplomats, military personnel, and civilian personnel; one of the councilors at the U.S. Embassy in Tokyo was considered to be the CIA's Tokyo station chief; and the Tokyo station had been exchanging information with Japan's National Police Agency and others concerning the activities of Soviet operatives. Former CIA operative Howard Hunt, who was caught breaking into the Democratic National Committee's headquarters in the Watergate scandal, worked for a time under the cover of a civilian in the U.S. Army in Japan.

It may safely be assumed that the number of CIA operatives in Japan has grown due to the increased importance attached to economic and technological information. People concerned with information in Japan hold the view that it will be easier for CIA operatives to work by entering Japan not as government officials like military personnel, but as researchers, businessmen, English instructors for enterprises, ect.

The NSA Is the Largest Information Agency

On 23 July, the LOS ANGELES TIMES reported on the CIA's activity during the Japan-U.S. auto negotiations. However, as the NEW YORK TIMES clearly said about "Eavesdropping by the NSA," it drew greater attention in Japan.

The NSA is usually translated into Japanese as "Kokka Anzen Hoshokiyoku," and the word "security" means

"preservation of secrets." The NSA is the largest information agency in the United States, employing more than 20,000 staff members at its headquarters alone.

The NSA not only studies and conducts cryptography but is also good at monitoring and decoding communications. The agency is said to have first-raters in the fields of mathematics, physics, electronics, and languages.

The agency was originally composed of the U.S. Army's Signal Information Service [SIS] and the U.S. Navy's OP20G [Security Section, Communications Division]. The SIS decoded a telegram concerning a diplomatic break with the United States earlier than the Japanese Embassy in the United States. The telegram was supposed to be delivered by the Japanese ambassador in the United States to the U.S. Government before Japan's attack on Pearl Harbor.

There Are More Than 2,000 Eavesdropping Troops in Japan

The communications and information troops of the U.S. Armed Forces were unified and placed under the NSA's command in 1952. Under its command, the NSA has the Army's INSCOM (Information Security Command; 15,000 personnel), the Navy's NSGC (Naval Security Group Command; the number of people unknown), and the Air Force's ESC (Electronic Security Command; 14,000 personnel). The NSA has established about 3,000 receiving stations in the whole world, including unattended receiving stations. The NSA belongs to the National Military Establishment in point of organization, but is directly connected with the CIA in point of communications.

The number of personnel who belong to the NSA and communications interception troops under its command is estimated to be about 2,300 in total, according to the "U.S. Armed Forces in Japan Seen Through Information Disclosure Law" and "U.S. Armed Forces in Okinawa Seen Through Information Disclosure Law" written by Hiromichi Umebayashi. About 3,550 personnel of the about 45,000 U.S. military personnel in Japan are assumed to be intelligence troops.

The largest interception base is in Misawa, Aomori Prefecture, where there is a colossal, cylindrical antenna that is about 300 meters across and about 30 meters high — the so-called "elephant's cage" — and a large number of parabolic antennas that receive electronic signals from satellites. In Misawa, about 1,620 personnel, including the U.S. Air Force 6920 Electronic Security Group (about 950 personnel), engage in interception and decoding. There are communications interception troops in Kamiseya Navy Station in Kanagawa Prefecture,

Sobe Navy Station in Okinawa Prefecture, Torii Army Station in Okinawa Prefecture, and others.

These troops under the NSA's command in Japan had originally engaged in receiving electronic signals from the Soviet Union, China, Korean peninsula, northwest Pacific Ocean, and others. However, the CIA, which demands information, has come to put emphasis on economics and Japan since the collapse of the Soviet Union, so it is only natural to consider that the NSA is intercepting Japan's communications.

Assistance Through "Omoiyari [sympathy] Budget"

It is quite possible for the NSA to intercept international telephone messages or pocket telephone messages sent by satellites. It is also known that the NSA intercepted the telephone messages of the former Soviet Armed Forces by fixing sensors to submarine cables in the Okhotsk Sea. It was also possible for the NSA to intercept telephone messages between the headquarters in Moscow and each military district by placing antennas on extension lines of microcircuits' parabolic antennas in the case of wire telephones, or through "VORTEX" satellites, which are used exclusively for intercepting communications.

In July 1982, the NSA intercepted the message sent from Mitsubishi Corporation's Washington office to its head office in Tokyo. As the information was considered to be top secret by the U.S. Government, the government was hot after the source of the information. The American people concerned with information say the NSA is now intercepting Japanese enterprises' telephone or fax messages all over the world on a daily basis. The NSA does not adopt a primitive method, such as fixing tapping devices to telephones or switchboards. It uses an advanced, large-scale system that covers the whole world, by mobilizing the capable brains in the United States. For example, it is said that when the keywords, "International Trade and Industry Ministry" come in, recording begins.

The Japanese Government asked its U.S. counterpart if "eavesdropping actually took place." It was foolish of Japan to ask the United States such a question. The U.S. side may be smiling a sour smile.

Japan not only has no countermeasures against the collection of intelligence of this kind, it also bears more than 70 percent of the expenses for U.S. Armed Forces in Japan, including NSA personnel, and defrays the whole amount of wages for Japanese base employees who do translations through the "omoiyari [sympathy] budget." Do enterprises of good-natured countries have to defend themselves by refraining from using interna-

tional telephone circuits when they talk about matters of great importance?

Resumption of Aviation Talks With U.S. Urged

OW0511150495 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 3 Nov 95 Morning Edition p 11

[FBIS Translated Text] Yoshiyuki Nakamachi, executive director at All Nippon Airways [ANA], commented on the Japan-U.S. dispute over civil aviation, at a news conference on 2 November. He said: "Negotiations over the passenger transportation sector should be promptly resumed to abolish regulations against late-comer companies," like ANA. While negotiations over revising the civil aviation agreement in regard to the air cargo sector began in September, Nakamachi indicated he plans to cooperate with Delta Airlines and other late-comer U.S. companies to call for a prompt resumption of negotiations over the passenger sector, saying: "The U.S. Government is taking a passive stance on negotiations over the passenger sector, which is the most important issue."

Nakamachi asserted that Japanese airline companies are losing their share of passengers in the Pacific air routes "because limitations have been placed on ANA's rights and interests while, on the other hand, U.S. airline companies have an edge over us on supply." He stressed that "if ANA can gain the same status as companies that entered the business earlier," like Japan Air Lines and United Airlines, "the company has sufficient supply capability to open new air routes or increase the number of flights in existing routes using equipment the company currently possesses."

Regarding differences in operating costs between Japanese and U.S. airline companies, Nakamachi said that "the cost is 10 percent higher for Japanese companies," but "because we are allowed only a limited number of flights, we have not been able to take full advantage of all that we have invested for entering the international carrier business."

Collision Foreseen Over Semiconductor Accord

OW0511110695 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 3 Nov 95 Morning Edition p 3

[FBIS Translated Text] It became clear that Japan and the United States will be opposed to each other over whether to renew a Japan-U.S. semiconductor accord that expires next July. On 1 November, the U.S. Semiconductor Industry Association (SIA) announced that it will seek extension of the agreement. On 2 November, however, Norio Oga (chairman of Sony Corp.), chairman of the Electronic Industries Association of Japan (EIAJ), clarified his view against the agreement's ex-

tension. It seems that this issue will be taken up for discussion when Ryutaro Hashimoto, deputy prime minister and concurrently minister of the Ministry of International Trade and Industry [MITI], and Mickey Kantor, U.S. trade representative, meet at the Asia-Pacific Economic Cooperation forum meeting, to start in Osaka on 15 November. Once again, the semiconductor accord has become a major topic of discussion for Japan-U.S. trade talks.

It is highly possible that the confrontation between the United States, which seeks extension of the semiconductor accord, and Japan, which opposes it, will become all the more clear. With the presidential election year approaching, U.S. semiconductor circles may increase their pressure on the U.S. Government. There are signs that the semiconductor accord's renewal may develop into a political issue again between Japan and the United States.

The semiconductor accord is designed to boost sales of U.S.-made chips in the Japanese market and prevent dumping by Japanese semiconductor firms in the United States. An anticipated target, which was incorporated in the accord to increase foreign semiconductors' market share in Japan to "20 percent," has already been met and no dumping cases have been reported. Moreover, Japanese and U.S. semiconductor companies are active in forming joint ventures and jointly developing new products. Their ties of mutual reliance are rapidly becoming strong.

The Japanese Government is of the view that "the agreement between the governments has ended its historic mission" (according to MITI's Machinery and Information Industries Bureau).

In addition to the fact that the initial goal was met, the Japanese Government has other reasons to oppose renewing the accord. Saying that Japan did not abide by the accord, the United States imposed sanctions against Japan in 1987 on the basis of Section 301 of the U.S. Trade Act (retaliation against unfair trade practices by a trade partner).

Moreover, the "20 percent share" goal, which was incorporated in a new accord in 1991, was turned [by the United States] into a "numerical target" without Japan's knowledge. This gave the United States grounds to threaten sanctions if the target was not met.

Some government officials are even saying that "the semiconductor accord, which induces U.S. sanctions, is a bad example of a bilateral accord" (according to a senior MITI official).

In contrast to this, some people in the United States highly assess the accord, saying: "The semiconductor

accord is the best-functioning trade agreement between Japan and the United States. The United States also hopes to maintain the accord as a "lever" to put pressure on Japan in the trade area. It seems that this is a cause of the United States adhering to the idea of extending the accord.

The issue of extending the semiconductor accord was taken up for discussion at a ministerial meeting between Hashimoto and Kantor when the quadrilateral trade ministers meeting was held in late October. Kantor called for its extension. However, Hashimoto refused, saying: "We do not need to go to the trouble of signing a bilateral accord because the semiconductor market has been rapidly turning international in recent years."

Of late, Japanese and U.S. semiconductor manufacturers expressed their intentions to act in concert with their governments. Because of this, the confrontation between the two countries became clear. Hashimoto and Kantor are expected to have another round of tough discussions when they meet [late this month]. There is a probability that Japan-U.S. trade relations, which recovered composure in the wake of the settlement reached at the auto negotiations, may be stirred once again.

LDP Urges Role in UN Peacekeeping Forces

OW0211071395 Tokyo KYODO in English
0635 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — In a document that could stir debate within the ruling coalition, the Liberal Democratic Party (LDP) drafted a defense policy platform Thursday [2 November] calling for the lifting of a ban on Japanese participation in UN peacekeeping forces that could involve combat action.

The scheme by the LDP, the biggest group within the tripartite ruling coalition, also urges debate over whether Japan should be permitted to exercise the right to collective self-defense as allowed under the charter of the United Nations.

"It is needed to make certain how far Japan can go in cooperating in UN activities under the current constitution as a medium- and long-term target," says the LDP document that challenges a constitutional ban on the collective self-defense right.

The LDP defense platform comes in contrast with policies sought by the LDP's pacifist coalition partners, Prime Minister Tomiichi Murayama's Social Democratic Party and New Party Sakigake, making it certain the coalition will face difficulties mapping out a new national defense program to be adopted by the end of this year.

Japan has so far participated in UN peacekeeping operations, including those in Cambodia, only under the strict condition that Japanese peacekeepers be limited to noncombat roles such as transportation.

Describing the military situation surrounding Japan as facing increasing uncertainties despite the end of the Cold War, the LDP document stresses the need for the U.S. military presence in the Asia-Pacific region in order to maintain peace and stability in the world.

It cautions against trimming defense spending too hastily for the end of the Cold War and underlines the need for Japan to maintain a "basic defense capability."

Referring to U.S. bases in Okinawa, the LDP platform calls for all-out efforts to reorganize, consolidate and reduce them by paying due attention to calls by Okinawan people for a reduction in the U.S. military presence there.

Okinawa is home to 75 percent of U.S. military facilities in Japan, a fact that has fueled strong local calls for a cut in U.S. troops since the rape of a local schoolgirl in early September, for which three U.S. servicemen have been indicted.

No Change in Planned Mission to Golan Heights

OW0611091195 Tokyo KYODO in English
0833 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — The assassination of Israeli Prime Minister Yitzhaq Rabin on Saturday [4 November] will cause no major change in the plan to send Japan's Self-Defense Forces (SDF) to join the UN peacekeeping mission in the Golan Heights next February, a top defense official said Monday.

Naoaki Murata, vice minister of defense, said at a press conference that no change is being considered in the SDF mission.

"I don't think there will be any major confusion (in Israel) as Foreign Minister Shim'on Peres has become acting prime minister," Murata said.

He nevertheless added that a close watch on developments in the Jewish nation will be required.

The Japanese Government formally decided in August to send SDF troops to the Israeli-occupied Golan Heights.

The members of Japan's contribution to UN peacekeeping and refugee aid programs since 1992 will be charged with the transportation of food and with other logistical support. Earlier missions were to Cambodia, Mozambique and Zairean camps for Rwandan refugees.

Matsunaga, Taiwan's Li Discuss APEC Summit

OW0511081895 Tokyo KYODO in English
0648 GMT 5 Nov 95

[FBIS Transcribed Text] Hong Kong, Nov. 5 KYODO — A top Taiwanese official said Sunday [5 November] that Japanese envoy Nobuo Matsunaga has met with Taiwanese President Li Teng-hui to discuss Taiwan's representation at the Nov. 19 summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, according to reports from Taipei.

Wu Poh-hsiung, secretary general for the president, told reporters that Matsunaga met with Li in Taipei on Saturday but did not mention details of the meeting, the reports said.

Matsunaga, former ambassador to Washington, left Taipei on Sunday afternoon to return home. He had flown to Taipei from Beijing on Saturday to discuss the representation issue.

Matsunaga was sent by the government to ask Taiwan to send a high-ranking economic minister instead of the president.

For the past two years, Taiwan has been permitted to send representatives only from the economic sector.

Beijing, which regards Taiwan as part of China, is opposed to having either Li or Vice Premier Hsu Li-teh attend the APEC meeting. Hsu concurrently serves as head of the council for economic planning and development.

Taiwan reportedly wants to have former Premier Yu Kuo-hua, who now serves as adviser to Li, represent it at the APEC summit.

Hashimoto on Farm Products at APEC Free Trade

OW0611113595 Tokyo KYODO in English
1118 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — International Trade and Industry Minister Ryutaro Hashimoto reiterated Monday [6 November] that special consideration will be needed for liberalization in trade of farm products, officials said.

In a meeting with Canadian Minister of International Trade Roy MacLaren, Hashimoto was quoted as saying that every member of the Asia-Pacific Economic Cooperation (APEC) forum has difficult fields to be deregulated.

Hashimoto told MacLaren that without taking these fields into special consideration, it will be difficult for APEC members to compromise on a process for liberalization in the area.

But he said that he does not seek exceptional measures in the liberalization process, and confirmed that Japan will include farm trade in the principle of comprehensiveness, according to the officials.

Whether the liberalization should be comprehensive or allow exceptional measures is a controversial point which will be discussed at the APEC meeting in Osaka later this month.

Seki on APEC 'Feud' Over Special Allowances

OW0611093795 Tokyo KYODO in English
0901 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — Japan hopes to settle a row over the "comprehensiveness" of a global trade liberalization program by the end of the cabinet-level meeting of the Asia-Pacific Economic Cooperation (APEC) in Osaka later this month, Japan's envoy in charge of APEC said Monday [6 November].

Hiromoto Seki, Japanese ambassador in charge of APEC, told a press conference that he hopes the problem involving the so-called action agenda will be solved before the end of the Nov. 16-17 cabinet-level meeting.

Seki was referring to the APEC feud over whether to allow special allowances to "sensitive sectors" such as agriculture when enforcing APEC's "comprehensive" trade liberalization program.

Japan, China, South Korea and Taiwan want special consideration for "sensitive sectors," but other members, especially the United States and Australia, are rejecting such a demand, saying all industrial sectors should be subject to the principle without exception.

APEC's senior officials have been tempted to shelve decisions on the problem but with the cabinet-level meeting and the informal summit talks ahead, they should reach a conclusion, the Japanese APEC envoy said.

He also said he hopes "more realistic" discussions will be held during next week's meeting among APEC's senior officials, saying the issue has been fully discussed up to now and that each member's position is already clear.

LDP's Muto Comments on APEC Farm Issue

OW0611115895 Tokyo KYODO in English
1019 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — The United States and Australia have shown understanding about Japan's basic position on the Asia-Pacific Economic Cooperation (APEC) forum's agricultural issue,

says Kabun Muto, a senior member of the dominant coalition partner, the Liberal Democratic Party (LDP).

Japan seeks exceptional treatment for farm trade in APEC's principle of comprehensive application of trade-freeing goals.

Muto, a former foreign minister, and other LDP lawmakers representing farm constituencies made a lobbying tour to the U.S. and Australia in October to pave the way for Japan's stance on the APEC farm dispute to be well reflected in the Nov. 19 APEC summit in Osaka.

Muto, in a recent interview with KYODO NEWS SERVICE, was commenting on a controversy over whether the APEC forum's comprehensiveness trade principle should be applied to all industrial sectors, including sensitive sectors like agriculture, without exception.

Japan basically supports the principle but is also demanding another principle categorized as "divergent conditions of APEC economies and economic sectors," a principle spelled out in the draft action agenda, be kept intact in a final version to be adopted by the APEC leaders in Osaka.

That portion of the draft action agenda, a set of action guidelines for APEC's goal of free trade and investment by 2020, says, "Flexibility will be exercised in allowing different treatment of economic sectors in the liberalization and facilitation process, taking into account the sectoral specificity in each member economy."

The diversity principle may be worded in an ambiguous manner in the final action agenda, Muto said.

It is not good to allow exceptions to the comprehensiveness principle but the trade liberalization process and pace could be left to the decision of each APEC member, Muto said.

Muto denied allegations that Tokyo is rejecting APEC's comprehensive principle.

Trade liberalization in the APEC area should be promoted in all sectors but some members like Japan have sensitive issues in agricultural areas, a situation that would justify a different trade-freeing process and pace from one APEC member to another, Muto said.

Muto said Japan will steadily implement its rice market-opening promise under the Uruguay Round accords.

The accords calls for Tokyo to ensure minimum rice imports until 2000, and what it will do in 2001 and beyond will be decided in negotiations under the framework of the World Trade Organization (WTO).

Measures to be taken in 2001 or later will be negotiated under the WTO framework and this would make it impossible for Tokyo to promise further rice market opening to other APEC members on its own decision, he said.

On regional trade groupings like the European Union and the North American Free Trade Agreement, Muto said Japan should focus on trade under the WTO rather than creating a similar grouping.

Japan engages in trade activity with the global community, not just with Asian economies, Muto said, noting that formation of its own regional trade pact would not be in Japan's interest.

APEC Voluntary Liberalization Plans Revealed

OW0511150195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Nov 95 Morning Edition p 1

[FBIS Translated Text] Drafts of "initial action" plans on voluntary liberalization of trade and investment have come to light. The Asia-Pacific Economic Cooperation [APEC] forum member nations will present their action plans at the upcoming Osaka APEC meeting starting 15 November. The United States will propose speeding up cuts in agricultural subsidies while China intends to ease rules on branch openings by foreign banks. Australia proposes easing restrictions on entry into its telecommunication market. Particularly, the U.S. plan seems to hold in check Japan and South Korea, which hope to exclude agriculture from trade liberalization discussions. In this sense, Japan and South Korea will possibly be pressed at ministerial meetings to open their farm markets.

The members are to adopt an action guideline on liberalization of trade and investment at the Osaka meeting and start to take voluntary action in January 1997. Before its full implementation, the members will offer at the Osaka conference their "initial action plans," which are their own liberalization measures to be taken for the time being. In this way, the initial action plans reflect their resolution to activate trade in the region. The members will give shape to the initial action plans and officially announce their plans at the Osaka meeting.

The U.S. proposal to advance cuts in agricultural subsidies to help promote farm products is partly aimed at cutting financial expenditures. At the same time, the United States has decided to take full advantage of APEC negotiations on trade liberalization in an effort to expand exports of its agricultural products to Asian nations. With the U.S. Government including in its own initial action plans liberalization measures for agriculture, particularly Japan and South Korea,

which maintain that "agriculture should be excluded from liberalization," are likely to face mid- and long-term pressure to liberalize their markets.

Meanwhile, China plans to increase business areas that allow foreign companies access to Chinese markets, abolish regulations limiting the number of goods to be imported, and ease rules on branch openings by foreign banks. Until recently, China limited branch openings by foreign banks to Shanghai and other designated areas. However, China has decided to allow foreign banks to open branches in Beijing. China seems to be further easing rules on foreign banks' branch openings.

Taiwan, which, like China, has not yet joined the World Trade Organization, intends to cut tariffs and ease rules on banking and securities business and foreign firms' inroads into its markets. Moreover, Australia, Malaysia, Mexico, Chile, and many other nations and regions indicate a plan to advance cuts in customs. Their initial plans also indicate plans to ease regulations in each trade area, thus reflecting their positive attitude toward liberalizing trade and investment in the APEC region.

For its part, Japan plans to cut tariffs on such raw materials as fiber and iron and on products made from those materials. As for agricultural products, Japan is expected to simplify quarantine procedures, but there is a strong possibility that it will not cut tariffs on such tropical products as fruits in spite of strong calls for cuts by Southeast Asian nations.

Editorial Urges Murayama's Decision on APEC

*OW0611102695 Tokyo YOMIURI SHIMBUN
in Japanese 3 Nov 95 Morning Edition p 3*

[Editorial: "A Decision Should Be Made To Make Progress for APEC's Future"]

[FBIS Translated Text] The APEC ministerial and summit meetings will be held in Osaka in two weeks.

The APEC summit held in Indonesia last year adopted the Bogor Declaration that pledged to "achieve the goal of free trade and investment by the year 2020 and to strengthen economic and technical cooperation" in the region. The task of the Osaka conference is to decide on an action agenda for achieving the goal.

Japan, as the host country of this year's APEC conference, has to compile clear-cut action guidelines to indicate how the Asia-Pacific region, the world's economic growth center, can continue well-balanced and stable growth.

At a series of preparatory high-level working meetings of APEC, officials from the 18 APEC member nations and regions agreed that the action agenda should con-

sist of the following two points: 1) liberalization and facilitation of trade and investment; and 2) economic cooperation.

The officials have also basically agreed that in liberalizing and facilitating trade and investment, emphasis should be given to 15 fields, including reducing tariffs and making them open, and that in strengthening economic and technical cooperation, priority should also be given to 13 fields, such as training of personnel and industrial technology.

Coordination of views among the 18 countries and regions is difficult because opinions are divided over the basic principles in liberalizing and facilitating trade and investment. In particular, there is a difference in views on the "principle of comprehensiveness" — the principle that all merchandise from industrial products to farm products should be liberalized.

Under strong pressure from agricultural organizations and Liberal Democratic Party Diet members representing special interest groups, the Japanese Government has incorporated the following expression into the chairman's draft of the action agenda: in liberalizing and facilitating trade and investment, each member of APEC should be allowed to receive special treatment that takes into account the peculiarity of each field of that member's economy. This virtually means that farm products, including rice, could be an exception to the principle of comprehensiveness.

At the Uruguay Round (multilateral trade negotiations) under GATT, Japan has just agreed on partial opening of its rice market, which allows minimum access of rice until the year 2000. The government is calling for an exception to comprehensiveness of the principle on the ground that Japan cannot make a promise about rice imports after that year.

South Korea, China, and Taiwan support Japan's position, but, a large majority of APEC members, including the United States, Australia, and Thailand, strongly oppose the idea of spelling out such an exception, arguing that APEC members "pledged to achieve comprehensive liberalization of trade and investment at the APEC summit meeting last year." The issue is certain to be brought up in negotiations of both ministerial and summit levels in Osaka.

APEC is a regional forum promoted through voluntary efforts by its member nations and regions. An agreement at APEC has no binding power, unlike agreements at GATT and the World Trade Organization (WTO), which was inaugurated this year to supersede the former.

The aim of the action agenda is to pave the way for accumulating specific efforts toward free trade and

investment in the next century. Japan, as the host country, needs to take the initiative in mapping out the action guidelines without sticking to its demand for a special treatment for agricultural trade.

A House of Councillors by-election will be held in Saga Prefecture on 19 November, a day of the APEC summit meeting. The key to victory in this election is reportedly how many votes the candidates can win from farmers and employees of agricultural cooperatives. It is said that the government and the ruling parties cannot afford to make a decision that would have any impact on the election.

If the host country Japan attaches priority to domestic politics in compiling the action agenda at the Osaka conference to be attended by the leaders of the 18 nations and regions, this will adversely affect APEC's future course. Moreover, Japan's leadership in the Asia-Pacific region will be greatly questioned.

Prime Minister Tomiichi Murayama, host of the APEC summit, is being urged to make a decision that would be a step in the right direction for APEC's future.

Official on Resumption of Talks With DPRK

OW0611091095 Tokyo SANKEI SHIMBUN in Japanese 31 Oct 95 Morning Edition p 4

[FBIS Translated Text] Administrative Vice Foreign Minister Sadayuki Hayashi stressed in the 30 October news conference that the Japanese Government would actively seek an early resumption of negotiations with the DPRK (North Korea) on normalization of diplomatic relations. Hayashi noted Japan will provide no preconditions for the resumption of the normalization talks, but it will give adequate consideration to relations with the ROK.

Hayashi said: "Favorable relations with the ROK is one of our primary concerns; however, the normalization talks should be promoted according to Japan's basic policy for the entire Korean Peninsula. We will determine our course of action trying hard to obtain understanding from the ROK."

DA Head Cancels Talks With Burmese Leader

OW0211093395 Tokyo KYODO in English 0857 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Defense Agency Director General Seishiro Eto canceled his meeting with a visiting senior official of Myanmar's [Burma] ruling military junta scheduled for Thursday [2 November] due to Eto's tight schedule, the agency announced.

The meeting with Lt. Gen. Maung Aye, vice chairman of Myanmar's ruling State Law and Order Restoration Council (SLORC), was called off due to Eto's commitment to an ongoing parliament session, agency officials said.

It would have been the first time the head of the Defense Agency had met with a leader of Myanmar's military government.

Maung Aye is in Japan on an unofficial visit.

Sakigake Member Usami Meets Burma's Suu Kyi

OW0611121595 Tokyo KYODO in English 1122 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — Myanmar [Burma] pro-democracy leader Aung San Suu Kyi has urged Japan to use caution in providing her country with official development assistance so that it will not help the military junta, a Japanese legislator said Monday [6 November].

Noboru Usami, a House of Representatives member from a small ruling coalition partner, New Party Sakigake, told reporters that Suu Kyi made the appeal when he met with her in Myanmar last Saturday.

Usami quoted Suu Kyi as telling him that Japanese assistance should help promote democracy in her country.

"Assistance must promote democracy. It should not be used in a way that strengthens the (military) government's position," Suu Kyi was quoted as saying.

Usami said he is the first Japanese legislator to meet Suu Kyi since she was freed from house arrest in July.

Japan resumed its large-scale official development assistance to Myanmar in October with a 1.62 billion yen grant-in-aid to finance a project to enlarge a university to train nurses. Such assistance had been suspended since a military coup in 1988.

MOF Eying Another Deficit-Covering Extra Budget

OW0111093195 Tokyo KYODO in English 0812 GMT 1 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO — The Finance Ministry plans to compile a third supplementary budget for this fiscal year to make up for a sizable tax-revenue shortfall resulting from the stagnant economy, ministry officials said Wednesday [1 November].

The officials estimated a revenue deficit in the current fiscal year to March 31 at 2 trillion to 3 trillion yen.

A budget, the third in a series this fiscal year, will be drafted in tandem with the fiscal 1996 budget and submitted to the regular session of the Diet early next year, they said.

The government revised downward its estimated tax revenues for fiscal 1995 to 53,593 billion yen.

The officials said the government now is concerned that tax revenues may fall below 51.03 trillion yen in view of poor corporate business performance and declining income from capital gains resulting from lower interest rates.

The officials said the government may be forced to issue bonds worth about 2 trillion yen to make up for the revenue shortfall.

The government plans to cut its expenditures by about 500 billion yen through cost-cutting measures and a reduction of subsidies to local governments, they said.

The government enacted two extra budgets to promote reconstruction of the earthquake-ravaged region in western Japan and to shore up the flagging economy earlier this year.

Economic Plan Includes Optic Fiber Network

OW0111143595 Tokyo KYODO in English
1317 GMT 1 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO — A blue-ribbon government panel has drafted a five-year economic plan which includes a nationwide optic fiber network to be set up by the year 2000, government sources said Wednesday (1 November).

In its draft plan spanning the period from fiscal 1995 to fiscal 2000, the Economic Council, an advisory body to the prime minister, calls for a 420,000 kilometer optic fiber network to be established among 26 items of social infrastructure.

The draft plan is a revision of the current five-year plan covering fiscal 1992-1996, and is based on the assumption that the domestic economic growth rate will average 3 percent per annum during the period.

The council decided to revise the current plan since it was becoming inconsistent with recent conditions following the collapse of the asset-inflated "bubble" economy, and the increasing difficulty seen in the Japanese social and economic systems in adapting to change.

The plan foresees that in the 21st century, the number of children will be smaller while the population of the aged will be bigger, and that a highly information-oriented society will have emerged.

In the area of social infrastructure, the council points to the need for parks within walking distance for everyone by the beginning of the 21st Century.

It also calls for 1.6 million houses to be built within a 30-minute commute by train in the big cities.

In addition, the plan urges measures to rectify the costly industrial system in Japan, noting the need for revising the structure in ten industries, including housing, energy and distribution.

The council will hold a meeting and submit the plan to Prime Minister Tomiichi Murayama on Nov. 29.

BOJ Ready To Provide Funds to Daiwa Bank

OW0611002995 Tokyo KYODO in English
2334 GMT 5 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — The Bank of Japan (BOJ) is considering extending loans to Daiwa Bank to counteract a possible cash crunch at the bank following its being ordered to halt operations in the United States, a newspaper reported Monday [6 November].

The central bank is worried that if anxieties spread among the Japanese public about the bank's state of liquidity, it could trigger turbulence in the entire financial system, the NIHON KEIZAI SHIMBUN said.

If such loans — to be extended at the official discount rate of 0.5 percent per annum — are not enough to dispel possible market confusion, the central bank will provide abundant liquidity to the entire short-term money market to stabilize it, the newspaper said.

Daiwa Bank is now facing a situation in which some lenders require it to pay higher rates on its borrowing in the call money market — the venue where banks extend overnight loans to each other, it said.

Such difficulties started hitting the bank after it came to light in late September that a trader at Daiwa Bank's New York branch had racked up a \$1.1 billion bond-trading loss and had cooked the books to hide the loss.

The U.S. Federal Reserve Board ordered the bank Thursday to end all of its U.S. operations within 90 days after it found that the bank's senior management allegedly ordered a cover-up of the losses at the New York branch.

Despite a suggested merger with Sumitomo Bank, Daiwa Bank may find its business partners and other financial institutions reluctant to do business with it, the daily said.

Nosaka: MOF Responsible for Daiwa Scandal*OW0611051395 Tokyo KYODO in English
0414 GMT 6 Nov 95*

[FBIS Transcribed Text] TOKYO, Nov. 6 Kyodo — The Ministry of Finance (MOF) is in general responsible for the Daiwa Bank scandal and it should step up its supervising and checking systems on overseas units of Japanese financial institutions, Chief Cabinet Secretary Koken Nosaka said Monday [6 November].

"At present, the ministry should make all-out efforts to prevent a further spread of credit turmoil (in the financial industry)," Nosaka told reporters at a press conference.

Daiwa Bank was ordered last Thursday by U.S. regulators to shut down all its banking operations in the United States, after a series of scandals starting from the September revelation of a \$1.1 billion loss in U.S. bond trading.

Nosaka said, however, operations at Daiwa Bank have remained calm so far, and customers were not trying to withdraw their deposits hastily.

Takemura Calls Daiwa-Sumitomo Merger Necessary*OW0611095095 Tokyo KYODO in English
0843 GMT 6 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — Finance Minister Masayoshi Takemura called a possible merger between scandal-tainted Daiwa Bank and Sumitomo Bank necessary to avoid turmoil in the financial market, government officials said Monday [6 November].

The officials said Takemura made the remark at a liaison meeting between the government and the three ruling coalition parties Monday.

Daiwa, an Osaka-based major commercial bank, was ordered by U.S. regulators to suspend its operations in the United States for attempting to cover up a \$1.1 billion loss incurred by unauthorized bond trading by a former employee at its New York branch.

Asked about the Finance Ministry's responsibility in the scandal, Takemura indirectly admitted that the ministry's supervisory and inspection systems were inadequate, saying it has learned a valuable lesson from the affair.

Ex-MOF Official Discusses Impact of Daiwa Case*OW0611121095 Tokyo KYODO in English
1127 GMT 6 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — A former senior official of the Finance Ministry Monday [6 November] downplayed the argument that the huge trading loss scandal at Daiwa Bank seriously hurt the relationship between Japanese and U.S. monetary authorities.

"The punitive step announced by U.S. regulators over the Daiwa Bank scandal was a surprise to the ministry, but the announcement came at a time when the Japanese market was closed for a holiday," said Tomomitsu Oba, a former vice finance minister for international affairs, during a press conference.

"The cooperation between Japanese and U.S. monetary authorities has become even closer through the Daiwa Bank incident and the issue of huge bad loans at Japanese financial institutions," said Oba, now president of the Japan Center for International Finance.

Oba met the press after U.S. federal and state regulators last Thursday ordered Daiwa Bank to terminate all its U.S. operations, alleging a bank cover-up following a \$1.1 billion loss at its New York branch.

The argument has arisen that the U.S. authorities took such tough action because they were angered by a delay in the Finance Ministry's notifying the U.S. side of the incident.

Oba said there have been few erratic movements seen in the yen-dollar exchange rate and stock prices. But the so-called "Japan premium" may widen a little, he said.

The Japan premium, or additional interest rates charged on Japanese financial institutions in fund-raising abroad, has been increasing amid growing overseas concerns over the soundness of Japan's financial system.

Economists Weigh Impact of Fed Actions on Daiwa*OW0511022195 Tokyo KYODO in English
0132 GMT 5 Nov 95*

[By Mutsuo Fukushima]

[FBIS Transcribed Text] Tokyo, Nov. 5 KYODO — The severe measures taken by the U.S. Federal Reserve Board [Fed] against Japan's Daiwa Bank could undercut cooperative ties between the Fed and the Finance Ministry, and sap the ministry's willingness to block any large withdrawal of "Japan money" from the treasury market, analysts warn.

"Now that the Fed has taken that harsh attitude...Relations between Japanese and U.S. financial

authorities will become dry," said Masaru Takagi, chief economist at Fuji Research Institute, a Fuji Bank-affiliated think tank.

"In the past, when Japanese financial institutions made some move to sell their huge U.S. Treasury securities to take funds back home to write off their bad loans, the Finance Ministry used to intervene to stop such selloffs," he said.

The ministry did so as it has been mindful of the possible impact of such selloffs on Japan-U.S. ties and the large U.S. dependence on Japanese institutional investors' surplus funds by U.S. federal budget drafters, he said.

However, when Japanese institutions make similar moves in the future to liquidate their losses from bad loans to housing loan companies, "the ministry may no longer give any guidance to thwart such moves even in the light of possible adverse consequences," he warned.

As a result, the U.S. Treasury Department will have no alternative but to reduce its dependence on the current huge balance of treasury securities holdings of Japanese financial institutions and may even face a revenue shortage, he said.

But he admitted that Daiwa Bank only received the severe penalty it deserved in view of its alleged "systematic cover-up."

Nonetheless, the Fed's action, he said, could make the ministry less willing to take into account the political importance of Japan-U.S. ties in exerting its influence over institutions in need of quick liquidity.

The Japanese institutions reportedly hold some 400 billion dollars worth of U.S. treasury bonds — about one-third of the U.S. Federal Government's budget revenue estimate of 1.35 trillion dollars for fiscal 1995.

The ministry estimates the cumulative total of bad loans at 40 trillion yen, roughly 412 billion dollars — almost identical in size to the Japanese institutions' treasury bond holdings.

Of the total, housing lenders have a combined 8.4 trillion yen worth of bad real estate loans, 6.3 trillion yen of which is irrecoverable, the ministry says.

"Japanese financial institutions may withdraw their investment funds in U.S. treasury securities as dictated by their economically rational need to do so, rather than as a retaliatory step against the Fed measure," Takagi said.

In such an eventuality, the United States may no longer be able to expect the ministry to act to thwart

such withdrawals as persuasively as it has before, he cautioned.

Noriko Konya, chief economist at the Japan Securities Research Institute, supported Takagi's view that Daiwa got what it deserved.

However, she said the Fed action was apparently not motivated merely by the American people's sense of justice, which she said many Japanese financial institutions appear to lack.

"The Fed is facing heightened criticism from inside the U.S." over its bank examiners' inability to detect the 11 years of illegal activities at Daiwa's New York branch, she said.

"The Fed tried to protect its prestige by imposing these penalties of high severity more speedily than expected," she said.

Both Konya and Takagi said Daiwa should not be under any illusions that a merger with Sumitomo bank will be enough to revive international confidence in the bank or its status as a key player in the international financial community.

A merger would be an absolute necessity for Daiwa to cling to the "crucial" U.S. market in its altered form, Konya said.

However, she said, "they should realize that expanding the scale of the financial base through a merger alone will not lead to bolstering their international competitiveness."

Takagi said, "The Daiwa case has reached a point where it has caused the international community to develop a greater distrust of the entire Japanese financial community due to its lack of transparency."

Any prolongation of a court battle between Daiwa and the U.S. Government over charges that the bank ordered a cover-up of a 1.1 billion dollar bond trading loss could scuttle its merger with Sumitomo, Takagi and Sumitomo officials suggested.

"Sumitomo would welcome a merger if Daiwa seeks it after they complete the settlement," a Sumitomo bank executive told Japanese reporters Friday night [3 November] after a hectic day triggered by the Fed's expulsion of Daiwa.

Fuji research's Takagi said, "Daiwa had better drop its plan to fight the indictment. They should settle the matter quickly by acknowledging their wrongdoings."

"If Daiwa disputes each of the 24 charges against it, it will be impossible for them to complete the court case

by next autumn," when the merger might materialize, Takagi said.

Daiwa Scandal 'To Cast Shadows' on U.S. Ties

*OW0511123495 Tokyo ASAHI SHIMBUN
in Japanese 4 Nov 95 Morning Edition p 2*

[FBIS Translated Text] Daiwa Bank has suffered a huge trading loss. As a result, the bank has been ordered to withdraw its overall operations from the United States. This incident is most likely to cast shadows on the overall Japan-U.S. relationship. The United States has rapidly intensified its moves toward questioning the nontransparency [futomei] of the Japanese monetary system. The current problem known as the Daiwa Bank issue has been removed. However, there still remains a possibility that President Bill Clinton will request Prime Minister Tomiichi Murayama to deal with this issue at the Japan-U.S. summit scheduled for 20 November. The issue may affect the nature of the talks, which aim at strengthening the bilateral relationship by focusing on "redefining" the Japan-U.S. Security Treaty.

A series of Japan-U.S. summits focusing on economic issues have been held. It is believed that at the upcoming talks, "for the first time in a long time, sufficient time will be spent on exchanging views on the international situation and security arrangements as well" (as stated by a senior Foreign Ministry official). This is because the auto issue has been settled, the Japan-U.S. trade imbalance has been improving, and the United States has indicated an appraisal for measures taken to stimulate the Japanese economy.

It was under such circumstances that the Daiwa Bank incident took place. Therefore, it is maintained that "the incident is not a matter of quantity such as the issue on trade balances but it has brought up a question of quality connected with nontransparency as has been noted in the Japanese systems and practices" (as stated by a senior Foreign Ministry official.)

If the United States should bring up this issue at the summit, there is no other alternative left for the Japanese but to indicate efforts to ensure the monetary system's transparency. It will probably take a considerably long time to eliminate U.S. distrust.

As far as the "redefining of the Security Treaty," which has become the major topic at the upcoming summit, is concerned, if an economic dispute should be rekindled, there will be no changes in the possibility that Japan-U.S. relations as a whole will be affected. The rape incident involving U.S. servicemen has brought the Japanese people's distrust in security arrangements to the surface, and the Daiwa Bank scandal has intensified U.S. distrust in the Japanese monetary system. Thus,

the Japan-U.S. summit will be burdened with the heavy task of eliminating mutual distrust between our two countries.

MOF's Mistakes in Jusen Issue Discussed

*OW0311133095 Tokyo AERA in Japanese 23 Oct 95
pp 6-9*

[Article by AERA editor Yosuke Iso: "Who is To Blame in the Jusen Issue? — The Three Great Crimes Committed by the Ministry of Finance"]

[FBIS Translated Text] The Finance Ministry's Financial Stability Committee held a meeting on August 8, shortly after the disturbances caused by the failure of Cosmo Credit Cooperative had finally calmed down. The meeting was held in a highly charged atmosphere because the controversial issue concerning the nation's ailing housing loan companies, or "jusen," was taken up for discussion. As the central issue of Japan's bad-loan problem, the jusen issue is attracting a good deal of public attention both in Japan and abroad.

The jusen issue was characterized by a fierce struggle between the jusen's parent banks and the financial institutions affiliated with agricultural cooperatives. The financial institutions affiliated with agricultural cooperatives have been stressing that the jusen's parent banks were fully responsible for the financial trouble of their jusen affiliates, while the jusen's parents banks have been insisting that the cooperative-affiliated financial institutions, as lenders, should also share losses in proportion to the amount of loans they made to the jusen. Moreover, the responsibility of the supervising authorities, namely the Ministry of Finance, was also called into question.

The Financial Stability Committee's meeting started with an explanation by a Finance Ministry official about the circumstances under which the housing loan companies were founded, and their current financial situation. "The eight housing loan companies owe a total of 13.7 trillion yen to other financial institutions. The financial institutions affiliated with agricultural cooperatives have 5.5 trillion yen in loans outstanding to the jusen. The housing loan companies together hold some 6 trillion yen in nonperforming loans," the Finance Ministry official reported matter-of-factly.

Kenichi Kakudo, managing director of Norin Chuo Kinko, who is a leading figure in the world of financial institutions affiliated with agricultural cooperatives, opened the debate by saying, "Banks played a major role in establishing and financing the housing loan companies. They have been controlling their jusen affiliates by putting their executive officials into the top positions at the housing loan companies."

A member of a business organization, which was siding with the *jusen*'s parent banks, disputed Kakudo's opinion and criticized the lack of good judgment on the part of the financial institutions affiliated with agricultural cooperatives. "Financial institutions affiliated with agricultural cooperatives have low ratios of net worth to total capital. Their risk-management system is loose and their fund operation capacity is weak. This is why they were tempted to extend huge amounts of money to the housing loan companies," he said.

Masao Nishimura, vice president of The Industrial Bank of Japan, Ltd., interrupted their dialogue, which was nothing but a futile recrimination of the *jusen* issue. "If we can settle the *jusen* issue, we will also be able to solve other bad loans issues. We should not stick too much to the question of which group is responsible for the *jusen* problem. We should not lose our presence of mind in order to find a proper solution to the problem," he said.

At the session of the Budget Committee of the House of Representatives, which opened on October 11, Finance Minister Masayoshi Takemura confirmed that the Ministry of Finance was not responsible for the financial trouble of the housing loan companies, which is said to be the Japanese financial system's vulnerable point. "The Finance Ministry is not responsible for the *jusen* issue. It is strictly a problem that should be solved by the private sector," Takemura said.

However, it was the Financial System Research Council, an advisory body to the Finance Minister, that approved the establishment of the *jusen* in 1973 to handle mortgage loans. Later, the Council also authorized the *jusen*'s parent banks to engage in mortgage loan business. Moreover, the Council failed to promptly deal with the issue of bad loans held by the housing loan companies when this problem emerged right after the collapse of the so-called bubble economy. This was why the *jusen*'s bad loans swelled to the current amount. In this sense, the Ministry of Finance is also responsible for the *jusen* issue.

Financial observers are almost united in the opinion that the Ministry of Finance has committed at least three great crimes related to the *jusen* issue.

The First Crime: The Ministry of Finance Imposed a Ceiling on Total Lending to the Real Estate Sector in March 1990

In March 1990, the Ministry of Finance sent a notice signed by the Banking Bureau's Director General Masaaki Tsuchida to city banks and other banking institutions. At that time, Japan was in the heyday of the

bubble economy, and there were loud cries for a prompt measure to curb ballooning land prices.

Thus, the Ministry of Finance decided to impose a ceiling on total lending to the real estate sector, and it notified city banks and other banking institutions of its decision. Moreover, it also asked them to report their outstanding loans to the construction and real estate sectors, as well as to nonbank financial institutions, including financial institutions affiliated with agricultural cooperatives, every three months. This measure produced a more-powerful-than-expected effect. Lending to the real estate sector was reduced considerably, bringing about a sharp decline in land prices.

Keiichiro Niwayama, senior adviser to Nippon Housing Loan Co., Japan's largest housing loan company, described the result of the Finance Ministry's decision as follows: "Japan's real estate market was struck a disastrous blow because of the Finance Ministry's decision. It was as if the Japanese economy had even killed the colon bacilli that are indispensable for a normal digestive process."

Niwayama served as president of Nippon Housing Loan Co. for more than 20 years. He severely criticized the Finance Ministry's notice. "Some people said the Finance Ministry gave erroneous administrative guidance. But I don't share this view. The Finance Ministry's intervention through administrative guidance is a wrong act in itself, because economic activities should be free."

Since lending to nonbank financial institutions was restricted, the housing loan companies could no longer receive loans from banking institutions. Thus, they had to rely on loans from financial institutions affiliated with agricultural cooperatives, which were excluded from the Finance Ministry's administrative guidance.

The financial institutions affiliated with agricultural cooperative had 2.9 trillion yen in outstanding loans to seven housing loan companies at the end of March 1990. This amount increased to 4.9 trillion yen a year later.

Minoru Yoneda, manager of the Agricultural Cooperative Division of the Agriculture Ministry's Economic Affairs Bureau, explained the 1990 situation as follows: "At that time, financial institutions affiliated with agricultural cooperatives extended loans to the *jusen* without anxiety, because housing loan companies had high credibility thanks to the backing of their parent banks, and because the interest rates on their loans to the *jusen* remained high until the Finance Ministry implemented a plan to restructure the seven distressed housing loan companies."

Financial Institutions Affiliated With Agricultural Cooperatives Are Dull-Brained Lenders

The financial institutions affiliated with agricultural cooperatives also had their own reasons to extend huge amounts of money to the jusen. At that time, they were confronted with a problem of surplus funds, as the number of cooperative-affiliated borrowers declined sharply following the depression in the Japanese agricultural industry. Thus they had to find new borrowers.

According to Togensha Corporation, the executives and/or the managers of the jusen's parent banks always witnessed the signing of realty contracts each time Togensha dealt in real estate. Togensha is a major operator of office buildings; it now owes a total of some 300 billion yen to various financial institutions, including some 50 billion yen to the jusen. Unlike the jusen's parent banks, financial institutions affiliated with agricultural cooperatives were totally indifferent to the way their loans were used. Kichinosuke Sasaki, president of Togensha, has never met anyone from the financial institutions affiliated with agricultural cooperatives. "In the case of some housing loan companies, each executive from the parent bank was entitled to extend loans at his own discretion up to a certain amount, for instance up to 5 billion yen. When an executive fulfilled his allotted amount of loans, he was allowed to use the allotment of his colleagues," Sasaki said. This proves that the parent banks were using their jusen affiliates as "detached forces."

As the Bank of Japan said, it is only natural for a financial institution to check and trace how money flows from its borrowers. However, the financial institutions affiliated with agricultural cooperatives neglected this duty, because they simply thought loans to housing loan companies were safe. "The financial institutions affiliated with agricultural cooperatives took things easy and extended loans to the housing loan companies as if they were depositing money in banks," Niwayama said. According to Sasaki, the financial institutions affiliated with agricultural cooperatives looked like dull-witted lenders in the eyes of real estate agents. The Finance Ministry is highly responsible for the abovementioned serious outcome of its March 1990 notice.

The Second Crime: The Finance Ministry Exchanged a Secret Memorandum With the Agriculture Ministry in February 1993

Nobuyuki Teramura, director general of the Finance Ministry's banking bureau, exchanged a secret memorandum with Takeki Manabe, director general of the Agriculture Ministry's Economic Affairs Bureau, on February 3, 1993. At that time, the housing loan companies were already confronted by financial difficulties, as they were laden with huge bad debts. The secret mem-

orandum did nothing but complicate the jusen issue and retard its settlement.

The memorandum confirmed the following three points. First, the jusen's parent banks would take full responsibility for implementing a restructuring plan for the distressed housing loan companies. Second, interest rates on the jusen's borrowings from financial institutions affiliated with agricultural cooperatives would be reduced to 4.5 percent; interest rates on loans from their parent banks would go to zero, and those on loans from other creditors would drop to 2.5 percent. Third, the Bank of Japan would advance necessary funds to Norinchukin Bank, the central bank for agricultural cooperatives.

The memorandum was a kind of "promissory note" issued by the Finance Ministry to the financial institutions affiliated with agricultural cooperatives, in order to prevent them from withdrawing their money immediately from the ailing housing loan companies.

Based on the memorandum, the Finance Ministry implemented a plan to restructure the distressed housing loan companies, by overriding the parent bank's objection that the rehabilitation plan too heavily favored the financial institutions affiliated with agricultural cooperatives.

The Rehabilitation Plan Proved Abortive in Two Years

On February 26, 1993, the parent banks of Nippon Housing Loan Co. held an important meeting to decide how to restructure their jusen affiliate. This meeting proved crucial. It lasted more than 12 hours, because eight parent banks, including Sakura, Daiwa, and Asahi, strongly opposed the restructuring plan, which was worked out by the Finance Ministry and supported by Susumu Niwa, Nippon Housing Loan Co.'s president, and by Sanwa Bank, the firm's main bank.

Portable telephones were brought into the meeting room, and all participants were urged to call their chief executives in order to get their immediate approval of the proposed rehabilitation plan. While the meeting was going on, senior officials of the Finance Ministry directly called the chief executive of each bank, in order to ask for cooperation. The Finance Ministry's plan was approved at last.

Unfortunately, land prices continued to fall after the implementation of the rehabilitation plan. The jusen's parent banks let loose their indignation when Japan's official discount rate fell below 1 percent. An interest rate of 4.5 percent on loans from financial institutions affiliated with agricultural cooperatives was no longer admissible. Thus the rehabilitation plan proved abortive in two years.

At present, the eight housing loan companies together hold 8.4 trillion yen in nonperforming loans, out of which 6.3 trillion yen is said to be unrecoverable. "If the Finance Ministry had decided to liquidate the distressed housing loan companies in 1993, the amount of nonperforming loans would probably have not swelled to that amount," Kazuhiko Ikeo, a professor of economics at Keio University, said. He is also a member of the Finance Ministry's Financial Stability Committee.

"In general, the director general of the Finance Ministry's banking bureau holds office for only one or two years. The reality is that no one wants to saddle himself with handling a knotty issue during such a short term of office," a former official of the Finance Ministry said.

"The Finance Ministry maintained its influence over Japanese banks until recently, because Japanese banks had to obtain authorization from the Finance Ministry before engaging in overseas operations or establishing new branches. However, the Ministry gradually lost its influence following the promotion of financial liberalization," Kenji Mizutani, president of Tokai Research Institute, said.

People engaged in financial business are not the only ones who are indignant over the Finance Ministry's intervention. Attorney Chikahiko Soda, who teaches bankruptcy-related law at a university, also criticized the Finance Ministry's behavior. "When liquidating a company, everything has to be exposed to the concerned parties. In principal, the case has to be submitted to the court in the end. It seems that the Finance Ministry has a different legal system," he said.

The Third Crime: the Finance Ministry Set Up a Committee Composed of the "Defendants," the "Plaintiffs," and the "Judges," in June 1995

The Financial Stability Committee of the Financial System Research Council, which was set up in June, submitted an interim report on September 27. A Committee member immediately asked the following question: "The report referred to the possibility of injecting public funds to rescue financial institutions before they go bankrupt. Does this square with the facts mentioned at the beginning of the same report?"

The beginning of the report said: 150 banks belonging to the Federation of Bankers Associations of Japan posted 4.5 trillion yen in net profits in fiscal 1994; their reserves for dead loans amounted to 7.3 trillion yen; and their hidden assets stocks totaled more than 10 trillion yen. The report also mentioned that financial institutions, on the whole, were still capable of dealing with the bad loan issue successfully, and that the prospect for a successful settlement of the important pending issue concerning

the mismanagement of certain financial institutions was looking up.

Under such circumstances, it seems that there is no need to use public funds to bail out financial institutions before they go bankrupt. Then why did the report refer to such a possibility?

Many Committee Members Are, in Fact, Former Officials of the Finance Ministry

Yoshimasa Nishimura, director general of the Finance Ministry's Banking Bureau, explained the sentence of the report in question as follows: "By referring to the possibility of using public funds, the report just wanted to say that some financial institutions are unable to overcome the financial difficulties unassisted, as the case of Cosmo Credit Cooperative showed."

However, the members of the Financial Stability Committee do not view the sentence in that light. They think that the report refers to the possibility of using public funds to rescue the ailing housing loan companies. "In fact, no one knows the real meaning of the words used in the report, except the Finance Ministry's bureaucrats," a committee member said ironically.

Bitter complaints are heard because the possibility of using taxpayers' money to bear the consequences of the Finance Ministry's failed policy is taken up for discussion by the Financial System Research Council, which is often used by the Finance Ministry's banking bureau as an instrument to afford an objective basis for its policy.

"I have no idea who selected the members of the Financial Stability Committee and on what basis they were selected. It is impossible to hold a worthwhile debate if we let everyone attend the meeting, namely all the concerned parties of the financial world and some disinterested parties, including financial experts and academic persons," Kikuo Iwata, professor of Sophia University, said.

There is an element of truth in what Iwata said. The chairman of the Financial System Research Council is Satoshi Sumita, a former official of the Finance Ministry and a former governor of the Bank of Japan, who created the cause of the bubble economy by tediously maintaining the easy-money policy. Masaaki Tsuchida, who is now vice president of People's Finance Corporation, and who was director general of the Finance Ministry's banking bureau at the time of the collapsing of the bubble economy, is a member of the Financial Stability Committee. Bitter complaints are also heard against their appointment to such posts. However, Finance Minister Takemura does not care

about such criticism. "We cannot say that a person is disqualified for the post, simply because he held a responsible position during the bubble economy era. On the contrary, such a person is able to pass fair judgment by reviewing his past conduct," he said.

According to a member of the Financial Stability Committee, the reality is that no one dares to criticize the past financial policies in the presence of Sumita or Tsuchida.

After all, the compilation of a proper report is not possible for a committee formed by the "defendants" and the "plaintiffs," who are both responsible for the jusen issue, and by the "judges."

Bitter complaints are also heard because the committee did not make public the official notes of the proceedings.

The Committee Remains Closeminded

"I cannot make a proper assessment unless the committee releases the official notes of the proceedings some time in the near future. I guess the debate was so absurd that the committee does not have the nerve to release the details," Nobuyoshi Namiki, professor of Asia University, said ironically.

The committee recommended deeper disclosure in order to solve the bad loan issue. However, there is no persuasive force in its remarks as long as the committee itself remains closeminded.

The Financial System Research Council, which supported the promotion of financial liberalization, is also criticized for having done nothing in preparation for the liberalization of the financial markets. "Financial liberalization meant introducing the law of the jungle. Only efficient financial institutions survive, while dull financial institutions are driven out of the market. Therefore, the Finance Ministry should have prepared a system to liquidate failed financial institutions well in advance," an official of the Bank of Japan said.

Commentator Naoki Tanaka wrote in the ASAHI SHIMBUN that the Government should promptly put an end to the current financial instability by establishing an interim administrative committee to supervise the operations of all financial institutions that accept deposits.

The key to the solution seems to be the prompt establishment of a new organization specializing in the bad loan issue, which will be totally independent of the Finance Ministry.

Tokyo Moves Toward Deregulation of Forex

OW0211125795 Tokyo KYODO in English
1141 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — A Japanese Government panel on Thursday [2 November] began studying deregulatory steps for foreign exchange [forex] trading in response to the increasing electronic financial transactions in Tokyo, Finance Ministry officials said.

The Committee on Foreign Exchange and Other Transactions, an advisory body to the finance and trade ministers, will compile by June next year a report recommending a set of deregulative steps, including the revision of the Foreign Exchange Control Law, to make the Tokyo market more attractive, the officials said.

The committee finds the current financial regulations to be hampering smooth monetary transactions in the Tokyo market because they are inconsistent with the nature of the electronic trading era, which features instant fund transfers using computerized online networks, the officials said.

The current regulations do not cover emerging financial instruments and diversified trading methods, the officials said.

The committee will examine current systems and rules in Japan, while referring to systems in other nations, they said.

Poll Shows Disapproval Rate for Murayama Rising

OW0311235695 Tokyo ASAHI SHIMBUN
in Japanese 1 Nov 95 Morning Edition p 2

[FBIS Translated Text] ASAHI SHIMBUN conducted a nationwide opinion poll by personal interview on 29 and 30 October, asking about support for Prime Minister Tomiichi Murayama's administration.

According to the survey results, the approval rate for the Murayama administration reached 35 percent, a slight increase over the 34 percent recorded in the last survey conducted in September. While the approval rate remained at almost the same level, the disapproval rate for the administration increased to 47 percent from 45 percent, the highest figure recorded by the Murayama cabinet.

There was an increase in the number of respondents who expressed their disapproval of the administration's "policies," in particular they pointed to "Murayama's political attitude" and "foreign policy" as reasons why they do not support the cabinet. This shows that it is likely to have been the handling of a variety of issues,

but in particular the dispute over U.S. military bases on Okinawa that has affected the public's view.

The survey conducted when the Murayama cabinet was formed in July 1994, showed an approval rate of 35 percent and a disapproval rate was 44 percent.

Since then, both approval and disapproval rates have fluctuated, but stayed at around 40 percent. However, the approval rate in the September survey dropped to 34 percent, registering the lowest figure since the inauguration of the cabinet, and the disapproval rate increased to 47 percent. These results reflect the fact that an increasing number of people have a negative view of the administration.

Moreover, supporters of the ruling coalition parties also seem to hold a more negative view about the cabinet.

The disapproval rate among Liberal Democratic Party supporters increased to 46 percent from 42 percent in the previous poll, and 51 percent of the respondents who support Sakigake [Harbinger] disapprove of the cabinet. This is the first time the disapproval rate has reached more than 50 percent since the formation of the Murayama cabinet. Moreover, the disapproval rate among respondents who support the Social Democratic Party of Japan increased to 20 percent from the previous figure of 17 percent.

The disapproval rate among men reached 53 percent. In particular, more than 60 percent of male respondents in their thirties expressed disapproval.

Asked why they disapprove of the cabinet, 20 percent of respondents pointed to "Murayama's policies," a rise over the 17 percent figure in the previous poll.

While the number of those who point to "price control and economic stimulation policies" as the negative aspect of the administration remains stable at 25 percent, it is noteworthy that those who cited "Murayama's political attitude" increased to 17 percent from 14 percent, and those who pointed to "foreign policy" rose to 12 percent from 8 percent.

Coalition Remains 'Steadfast' on Religious Law

OW0611084295 Tokyo KYODO in English
0657 GMT 6 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 6 KYODO — The three ruling coalition parties remain steadfast that they will revise the law governing religious organizations during the current parliamentary session, a senior ruling party official said Monday [6 November].

Kanezo Muraoka, chairman of the Diet Affairs Committee of the Liberal Democratic Party (LDP), the largest force in Prime Minister Tomiichi Murayama's coalition,

made the remark at a meeting of government and ruling party leaders.

A special House of Representatives panel is currently deliberating a bill that calls for stricter control over religious groups with the three ruling parties and the main opposition Shinshinto (New Frontier Party) heading for a collision course.

As the Nov. 13 close of the present Diet sitting draws near, the governing alliance is believed likely to force extension of the term for a certain period so as to ensure the religious law's revision.

But Deputy Chief Cabinet Secretary Hiroyuki Sonoda said at a news conference that Monday's government-ruling party meeting heard nothing about a possible extension of the Diet session.

The issue of whether to revise the law has been in the spotlight since a series of crimes allegedly committed by the religious group Aum Shinrikyo rocked the nation earlier this year.

The ruling coalition comprises the LDP, headed by International Trade and Industry Minister Ryutaro Hashimoto, Murayama's Social Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake.

Kato: Hashimoto To Keep Murayama Cabinet Post

OW0511121295 Tokyo KYODO in English
1149 GMT 5 Nov 95

[FBIS Transcribed Text] Yamagata, Japan, Nov. 5 KYODO — Koichi Kato, secretary general of the Liberal Democratic Party (LDP), ruled out Sunday [5 November] the possibility of LDP President Ryutaro Hashimoto quitting the coalition government to concentrate on his top party job.

"He cannot quit (as trade minister) simply because of the LDP," Kato said at a news conference in his native prefecture of Yamagata.

Kato also expressed skepticism that Hashimoto would resign as International Trade and Industry Minister after the Osaka talks of the Asia-Pacific Economic Cooperation forum later this month.

Hashimoto was elected LDP president in September.

Kato also suggested that the next general election should be held after Diet passage of the fiscal 1996 state budget program and related legislation in June or July.

Murayama May Resign Over Okinawa Base Dispute*OW0311115295 Tokyo EKONOMISUTO in Japanese
31 Oct 95 p 18*

[Article by Katsunobu Shiihashi, MAINICHI SHIMBUN public opinion and election center member: "Okinawa's Call Could Bring About Murayama's Resignation"]

[FBIS Translated Text] A governor who was supported by the Social Democratic Party of Japan [SDPJ] in last year's gubernatorial election could be brought to trial by the Socialist prime minister. The "News Focus" article in the 21 October issue reports that the dispute over Okinawa Governor Masahide Ota's refusal to sign land lease contracts by proxy for U.S. military use has reached the point where such an unbelievable situation could become reality.

To avoid this worst-case scenario, the SDPJ set up a special team to discuss the issue in mid-October. The party also intends to formulate a plan for reducing the bases and reviewing the Japan-U.S. Status of Forces Agreement [SOFA] before the Japan-U.S. summit in mid-November and is working on how to bring about a final settlement at Prime Minister Tomiichi Murayama's meeting with Ota.

However, a pessimistic view prevails even within the ruling parties, questioning whether it is possible to come up with a plan that could obtain Ota and the Okinawan people's consent. Before making his decision, Ota reportedly examined every possible scenario, including the option of going to trial. As a result, his statements at the late-September Okinawa Prefectural Assembly session clearly indicated his strong resolution. He is so determined that he is willing to "sacrifice" himself. The people who know this scholar-turned-governor describe him as a man who avoids anything that could lead to conflict, and who did not engage in traditional campaign practices during his gubernatorial election.

Although his decision stemmed, of course, from the rape of a schoolgirl by several U.S. servicemen, underlying this is the fact that even after Okinawa was returned to Japan, and even though the Cold War ended, the situation in this southernmost prefecture has barely changed as "Okinawa is still held inside the U.S. bases."

The U.S. bases on Okinawa, which are an important part of the U.S. global strategy, are planned to be reinforced. The joint statement of the November Japan-U.S. summit is expected to refer to the Japan-U.S. Security Treaty. A senior ruling party executive notes that the bilateral security treaty is changing from its original purpose of protecting "Japan-U.S. security" to "Asian security," and

finally to "supra-regional security" in the future. In this party executive's analysis, the summit will be held to confirm this transition.

The United States seems to have reacted to the dispute in a quick and careful manner. By agreeing to a review of SOFA's application, this nation shows a positive stance on the early extradition of American criminals before indictment. Behind its almost nervous reaction is the U.S.' concern over the security treaty.

Okinawa was forced to "sacrifice" itself both during and after the war. "I do not bargain." What is manifest in Ota's comments is his resolve to even "go on trial." The only other land controversy that involved the court was the "Sunagawa dispute," in which the then Tokyo governor sued the then mayor of Sunagawa town.

The problem that could jolt the basis of Japan's security framework originated within the SDPJ's own camp. Not only the SDPJ, but also the government now faces a predicament because this country so far has put national security ahead of the concerns of people who live near U.S. bases. It goes without saying that this is not a problem that can be solved only through technicalities.

Noboru Hoshuyama, director general of the Defense Facilities Administration Agency, stepped down on 19 October for criticizing the prime minister. It demonstrated how difficult it is to obtain a solution to the problem in the way Okinawan people wish.

The SDPJ now stands at a juncture and has to decide which way to go: to maintain the administration or to promote the 50 year peace campaign that it has continued since the end of the war. A majority in the SDPJ feel that the party must live up to its principles. Seeing this, some people started saying that if there is no choice but to sign the document, the prime minister might resign before undertaking the procedures. Depending on future developments, it is possible that the House of Representatives will be dissolved within this year, and a general election held early next year.

North Korea**'Progress' Made in Negotiations With KEDO***SK0611102995 Pyongyang KCNA in English
1019 GMT 6 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 6 (KCNA) — Negotiations between the Democratic People's Republic of Korea and the U.S.-led KEDO (Korean Peninsula Energy Development Organization) which began in New York on September 16 for an agreement concerning the provision of light water reactors [LWR] are still under way.

Progress has been made in the discussion of some outstanding issues including the costs of the infrastructure construction, the issue which has been raised for the provision of the LWR project on a turnkey basis, under the DPRK-U.S. framework agreement reached on October 21, 1994, and the DPRK-U.S. joint press statement on June 13, 1995.

The sides are narrowing differences in other technical matters to be included in an agreement concerning the provision of LWRs and wording the agreement at the final stage.

Joint Landing Exercise Near Pohang Denounced

*SK0511033995 Pyongyang Korean Central
Broadcasting Network in Korean
1222 GMT 4 Nov 95*

[NODONG SINMUN 4 November commentary: "Dangerous Fire Game Aimed at a Preemptive Strike"]

[FBIS Translated Text] The Foal Eagle-95 war exercise for northward invasion staged by the U.S. imperialists and South Korean puppets is becoming all the more frantic, entering an extremely dangerous phase.

It can be clearly seen from a joint landing exercise staged on 2 November. The U.S. forces and South Korean puppet army staged the exercise in the waters off Pohang, South Korea, mobilizing massive amounts of troops and war equipment such as Marines, helicopters, and armored vehicles. The warmongers trumpeted that the recent landing exercise was the largest-ever joint landing exercise to be staged since the suspension of the Team Spirit joint military exercise.

Prior to this, on 31 October, the warmaniacs conducted a large river-crossing exercise along the Namhan River, mobilizing numerous armed helicopters and tanks. On the same day, a civilian-administration-army joint exercise was carried out in South Korea's Kangwon Province.

This once again clearly shows that the Foal Eagle-95 joint military exercise, which is being staged by the bellicose Kim Young Sam group along with outside forces, is a very dangerous playing with fire aimed at a preemptive strike on our Republic.

Although the U.S. imperialists and South Korean puppets characterized the Foal Eagle-95 joint military exercise as an annual defense exercise, this is nothing but a poor sophism to conceal the aggressive nature of the exercise.

Landing and river-crossing exercises are typical attack exercises. Even the puppet army's military textbook stipulates that landings are equivalent to assaults. In

reality, the enemies staged a fire game, staging a surprise attack and landing exercise and mobilizing in the recent landing operation, which is the climax of the Foal Eagle-95 war exercise, the U.S. forces; the puppet Marine Corps; numerous up-to-date war equipment, such as helicopters and armored vehicles; and the naval vessels of the U.S. Seventh Fleet.

The warmaniacs said the landing exercise was for landing operation in areas deep behind the enemy lines in case of emergency. Thereby, they admitted the exercise was not for defense but for an attack on the North.

It is the same with the large river-crossing exercise that was staged by the enemies along the Namhan River, mobilizing armed helicopters and tanks while babbling about three-dimensional modern war. The enemies staged an exercise of crossing a river across a bridge that was urgently erected after having first established a bridgehead following the river-crossing unit's surprise attack. With air support, the enemies also staged an exercise of infiltrating into the strategic points of the opponents.

It is a well-known fact that whenever the U.S. imperialists and South Korean puppets staged the Team Spirit fire game, they staged the exercise at Pohang, which has a configuration similar to the land and shore of the northern half of the Republic. The recent landing operation was also staged in Pohang. This proves that the Foal Eagle-95 exercise is a continuation of the Team Spirit nuclear test war of northward aggression as well as its prolongation.

Not interested in the country's peace and its peaceful reunification, the Kim Yong-sam ring is running wild to drive the nation to a nuclear catastrophe inflicted by outside forces. Its criminal nature is once again thoroughly revealed. So is the treacherous color of the United States, which is driving the situation on the Korean peninsula to the brink of war by staging an adventurous fire game, a replica of the Team Spirit joint military exercise, with the South Korean puppets, running counter to the spirit of the DPRK-U.S. agreed framework.

We are watching with sharp vigilance the United States and South Korean warmaniacs, who are frantically staging a large war exercise for northward invasion aimed at a surprise attack on our Republic after wrecking the Armistice Agreement mechanism.

If the U.S. imperialists and South Korean puppets, like a new-born puppy knowing no fear of a tiger, unleash a war against us, they will have to pay dearly for it.

NDFSK Denounces U.S.-ROK 'War Games'

SK0411051595 Pyongyang KCNA in English
0503 GMT 4 Nov 95

["U.S. Imperialists and S. Korean Puppets' War Games Against the North Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK), published a statement on Thursday in denunciation of the war exercises against the North the U.S. imperialists and the Kim Yong-sam group are staging these days.

Heedless of the strong protests, denunciation and opposition of the Koreans in the North, South and overseas as well as of the world's progressives, the U.S. imperialists and the Kim Yong-sam group have staged large joint military exercises codenamed "Foal Eagle 95" from October 13 and in succession "Hwarang" military exercises and "95 Combined Exercise Against Infiltration", the statement noted, and said:

These large-scale military exercises, which are aimed at an invasion of the North all along, are a continuation and replica of the "Team Spirit" joint military exercises.

The situation of the Korean peninsula is now going to the extremely dangerous brink of war which may break out any moment.

Anti-North military exercises have never been discontinued since the traitor Kim Yong-sam took office in South Korea.

This year alone, they staged large "Combined Military Exercises of Land, Navy and Air Forces", and joint military exercises "Freedom Banner 95" and "Ulji Focus Lens" together with outside forces.

All these facts clearly proved that Kim Yong-sam's talks about "resumption of dialogue" and "improvement of the North-South relations" were a smokescreen to cover up their policy of confrontation and war.

The war games against the North the Kim Yong-sam group are staging in partnership with the United States are an anti-national, anti-reunification crime trampling down the aspiration and desire of our nation for peace and peaceful reunification of the country, the statement said, strongly demanding an immediate halt to them.

If the United States really want peace in the Korean peninsula, it said, it should give up its hostile policy to stifle the DPRK and stop its military provocations against it.

The Kim Yong-sam group, if they persistently resort to the war moves against the North in league with

outside forces, ignoring the aspiration of the times and the demand of the nation, will be further isolated and rejected by a fierce protest of the 70 million fellow countrymen and the world's progressives and finally meet a miserable self-destruction.

'Foal Eagle 95' 'Unacceptable Challenge' to Peace

SK0411231095 Pyongyang KCNA in English
2150 GMT 4 Nov 95

["Unacceptable Challenge to Peace and Peaceful Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — The Kim Yong-sam group must give up their criminal design to "unify the country by invading the North" and promptly stop provocative war gambles, urges NODONG SINMUN in an article today.

The paper says the very dangerous large-scale joint military exercise codenamed "Foal Eagle 95" now under way is an anti-national, anti-peace, anti-reunification criminal act endangering peace in the Korean peninsula and chilling the nation's desire for reunification and is also an unacceptable challenge to the hope of the nation for peace and peaceful reunification.

The paper further says:

The South Korean puppets, in the hope of covering up the aggressive nature and danger of the exercise, are describing it as "defensive". But this is a shameless act like selling dog's tails, displaying sheep's head.

With no sophism can the puppets veil the aggressive nature and danger of the adventurous exercise and cloak their criminal intention to put the fellow countrymen on the altar of a nuclear war by outside forces.

All the fellow countrymen will make the puppets pay dearly for their obstructing peace and peaceful reunification of the nation.

Secretary Perry's Trip to Japan, ROK Denounced

SK0411230295 Pyongyang KCNA in English
2240 GMT 4 Nov 95

["Trip Against Peace, Detente and Disarmament" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 4 (KCNA) — The United States, Japan and the South Korean puppets are bringing dark clouds of Cold War to Northeast Asia through an overt military alliance against peace, detente and disarmament.

U.S. Defense Secretary William Perry toured Japan and South Korea from October 31.

His trip was aimed at maintaining U.S.-Japan and U.S.-South Korea security pacts. It was a dangerous criminal trip to bring a Cold War to Northeast Asia, render the situation on the Korean peninsula extremely strained and unleash another war of aggression.

This is proved by the statements made by Perry before and during his trip to Japan and South Korea.

Before his trip, he said the U.S.-Japan, U.S.-South Korea security strategy cannot but be extended to the Asia-Pacific region as a whole. During his trip, he declared the U.S. troops stationed in Okinawa would never be reduced and that U.S. troops would remain in South Korea. He agreed to include one to two aircraft carrier flotillas and more planes and Marines in the U.S. Rapid Task Force to be deployed in South Korea in the "event of contingency." He and the South Korean puppets agreed to continue annual U.S.-South Korea joint military maneuvers, apart from the Team Spirit maneuvers. The U.S. military boss even made an extremely dangerous commitment to nuclear war, saying the U.S. would offer nuclear umbrella to South Korea.

Facts show the United States is still obsessed with the ambitious plan to maximize its military strength in the Asia-Pacific region, strengthen the U.S.-Japan-South Korea tripartite military alliance and use it as a tool to dominate the DPRK and other Asian countries.

This is a flagrant challenge to the trend of the times toward peace, detente and disarmament following the end of the Cold War and to the demand of the peace-loving peoples of the world for early withdrawal of U.S. forces from South Korea and its vicinity.

It is in order to conceal this wild ambition that the bellicose elements of the United States are making much ado about "military threat" from the DPRK and another country.

That is why Perry hurled mud at "military threat from North Korea" and "arms buildup and modernization" in Northeast Asian countries before his trip to Japan and South Korea and called for strengthening the U.S.-Japan-South Korea military alliance during his visit to South Korea, arguing that "North Korea is still posing military threat" and that "peace on the Korean peninsula is in danger."

His talk about "threat" from someone, however can never justify their moves of aggression and war.

The U.S.-Japan-South Korea triangular military alliance is utterly for aggression and war. Accordingly, it is as clear as noonday that its strengthening will endanger peace and security on the Korean peninsula and in Northeast Asia, drive the situation as a whole back to

the Cold War and lead to the outbreak of a war any moment.

Perry's utterances that the U.S. will "offer a nuclear umbrella" to South Korea are of bigger danger. The DPRK and the U.S. have adopted a framework agreement and are carrying it into practice. It is stipulated in the agreement that the United States shall not threaten the DPRK with nuclear weapons. But the U.S. defense secretary's open outcries over the "provision of nuclear umbrella" are contrary to the spirit of the DPRK-U.S. framework agreement.

What adds to our resentment is the behaviour of the Kim Yong-sam group who beg the U.S. bellicose circles to perpetuate the U.S. military presence in South Korea and "offer a nuclear umbrella".

This time, the Kim Yong-sam group even awarded orders to Perry and his entourage and "agreed" to increase the fabulous fund for the upkeep of U.S. forces in South Korea by 10 percent every year. Thus, he fully revealed his dirty nature as a colonial stooge.

The remarks of Perry who confirmed U.S. commitment to the "provision of nuclear umbrella" and incited a fever of war against the North remind one of Dulles and MacArthur, who provoked the Korean war, claiming that "North Korea must be conquered to contain the communist Soviet Union and communist China" 45 years ago.

The commitment to the "provision of nuclear umbrella" coincides with the continued war exercises against the North by the United States and the South Korean puppets. It will no doubt lead the situation on the Korean peninsula as well as in Northeast Asia to a more serious phase of confrontation.

As long as the United States does not withdraw its forces from Okinawa and other parts of Japan and from South Korea, the forward bases for aggression on northeast Asia and Korea, and continues the hostile moves to stifle the DPRK, the situation in this region will never be relaxed.

The United States and the South Korean puppets must discontinue the reckless moves going against the trend of the times at once.

Perry Called 'Warmonger'

*SK0611134095 Pyongyang Korean Central
Broadcasting Network in Korean
0852 GMT 6 Nov 95*

[NODONG SINMUN 6 November commentary: "They Should Not Go Wild Recklessly"]

[FBIS Translated Text] U.S. Defense Secretary Perry made a junket to Japan and South Korea. During the junket, he thoroughly revealed his true color as a warmonger.

Visiting Japan, he stressed the importance of the U.S.-Japan security system and the presence of the U.S. Forces in the Asia-Pacific region, and stated that the United States will maintain and strengthen the U.S.-Japan alliance.

Flying to South Korea, he went wild more recklessly. He said that the United States will give South Korea immediate and effective assistance to defend South Korea from aggression according to the U.S.-South Korea mutual defense treaty, adding that the United States will provide South Korea with a nuclear umbrella.

Of course, he did not forget to link all this with the fictitious military threat from us.

As facts show, the purpose of Perry's junket to Japan and South Korea was to continuously maintain and strengthen even more the U.S.-Japan and U.S.-South Korea security agreements. The question is what is meant by this security agreement.

The United States intends to station its forces in Japan and South Korea to use them as a tool to realize its aggressive Asia-Pacific strategy.

The United States raves that it will maintain 100,000 U.S. troops in East Asia. Most of them are in U.S. mainland, Okinawa, and South Korea. At present, 47,000 U.S. troops are in Japan, and some 40,000 U.S. troops are stationed in South Korea. This is the legacy of the Cold-War era.

The United States does not intend to do away with this legacy today when the Cold War came to an end. On the contrary, the United States intends to further strengthen it in terms of quality. The pretext it put forth is the instability of the situation on the Korean peninsula and our military threat. The United States claims that the security is threatened, that, therefore, the U.S.-Japan and U.S.-South Korea security agreements should be maintained, and that the U.S. Forces should continue to remain in Japan and South Korea.

Perry viciously picked fault with our military threat even on the eve of his junket to Japan and South Korea. As is

evident, under the pretext of security, the United States intends to station U.S. forces in Japan and South Korea for an indefinite period, to bring the Asia-Pacific region under its domination with strength, and to establish a U.S.-led order in political, economic, and military affairs.

Meanwhile, the United States intends to bind Japan and the South Korean puppets more firmly with the iron chain of security to use them effectively for the realization of its Asia-Pacific strategy.

The main objective of the U.S.-Japan, U.S.-South Korea military collusion is to crush our Republic. During his junket to Japan, U.S. Defense Secretary Perry said that whenever tension mounted on the Korean peninsula, the United States set up a measure to cope with it using the Marine Corps and the Air Force base in Okinawa, thus revealing that Okinawa is designed for contingency.

Arriving in South Korea, Perry openly revealed the U.S. scheme to provoke a war of aggression. At present in South Korea, an extremely adventurous Foal Eagle-95 joint military exercise is underway. At a time like this, the head of the U.S. military flew to Japan and South Korea inspiring war fever. This is a very dangerous situation.

In particular, the fact that Perry told the South Korean puppets that the United States will provide them with a nuclear umbrella suggests that the United States will not hesitate to use nuclear weapons for its aggressive aim.

The United States promised that it would not threaten us with nuclear weapons. However, the United States is making little of this promise in its war fever. In short, Perry's Japan and South Korea junket was an aggressive junket of a warmonger, a junket aimed at crushing the DPRK.

The U.S. war maneuvers are totally responsible for the straining of tension and lingering of the danger of war in the Northeast Asian region, including the Korean peninsula, and in the Asia-Pacific region.

As long as U.S. Forces remain in Okinawa—a base for aggression against Korea—and Japan and South Korea, and as long as the U.S. hostile policy toward us and crush-DPRK maneuvers continue, the situation in this region can never be eased, nor can the danger of war disappear.

We are highly alerted by the U.S. new war provocation maneuvers and crush-DPRK maneuvers. If the U.S. warmongers recklessly go wild and attempt to harm us with strength, they will have to drink a bitter cup of humiliating defeat.

Paper Denies Existence of Biochemical Weapons

*SK0411152495 Pyongyang Korean Central
Broadcasting Network in Korean
0855 GMT 4 Nov 95*

[NODONG SINMUN 4 November commentary:
"Shameless Counter Propaganda by Warmongers"]

[FBIS Translated Text] Recently, the Kim Yong-sam puppet clique has been making preposterous scheming propaganda that the North has stockpiled biochemical weapons. The phrase of a thief calling another a thief is most appropriate for this kind of situation.

In reality, the ringleader who produces and stockpiles an enormous amount of chemical weapons and who is running amok in chemical war exercises such as education and training for biological and radiological warfare, is the South Korean puppets. From the poisonous gas plants dragged in from the United States, the warmongers have not only produced various chemical weapons and stockpiled them, but are dispatching them for actual combat near the Military Demarcation Line areas.

The puppets have already decided that they must possess chemical weapons. What cannot be overlooked is the fact that the Team Spirit war provocation, which is a nuclear and chemical weapons combined attack exercise aimed at the northern half of the Republic, has been held annually in South Korea. Even at this time, various provocative war exercises including the Foal Eagle-95 war exercise to invade the North, which is a duplicate of the Team Spirit joint military exercise, are being held crazily in South Korea.

Regardless of this reality, the puppets are propagandizing that someone is stockpiling chemical weapons that do not even exist. How shameless can they be?

Those who were not satisfied with making South Korea into the Far East's greatest armory of U.S. nuclear weapons, changed South Korea into a showcase of biochemical weapons. There is no one in this world who will be deceived by such scheming propaganda.

For the first time since World War II, the Korean peninsula is a place where biochemical weapons are being used by the imperialists, and the Korean people are victims of biochemical weapons. During the past fatherland liberation war period, the United States and its followers ignored the demands of international law and committed a heinous atrocity of indiscriminately using biochemical weapons in opposing our Republic and our people.

As a result, innumerable innocent people were mercilessly killed and wounded and were infected by various contagious diseases such as pests and typhoid fever.

Thus, brutal calamity and pain were inflicted upon them. Our people, who were direct victims of biochemical weapons and who are continuously facing the threat of chemical weapons today, put forth a proposal to make the Korean Peninsula a nuclear-free peace zone where there are no nuclear and chemical weapons. Our people did this in order to prevent the reemergence of such a calamity, and are making all possible efforts to bring the proposal to fruition.

Nevertheless, along with outside forces, the puppets are once again running amok to cover the heads of the people with a tremendous chemical catastrophe. Where else does such a wicked war maniac, such a group of nation-sellers, exist in this world?

By indiscriminately passing around scheming propaganda that someone is stockpiling biochemical weapons and so on, the Kim Yong-sam ring frequently staged war exercises to invade the North such as the Foal Eagle-95 exercise by hiding its bellicose nature seeking a fratricidal war in league with outside forces. This was to shift its responsibility to someone else for the situation it has aggravated, but that is by no means admissible. Such maneuvers only reveal the true color of the traitors, who are itching to plunge the nation into a nuclear and chemical holocaust using outside forces.

We make it clear again that we have no chemical weapons. Along with nuclear weapons, there is no change in our position opposing the development, production, stockpiling, and use of nuclear and chemical weapons.

If the threat of a biochemical war is to be removed on the Korean peninsula, chemical weapons in South Korea must be eliminated and maneuvers by the hostile forces trying to crush our Republic must be totally discontinued. In particular, a new peace guarantee system must be established between the DPRK and the United States so that the unstable armistice situation can be put to an end as soon as possible.

South Korea

Kim Yong-sam Sends Israel Condolence Telegram

*SK0511025295 Seoul YONHAP in English
0247 GMT 5 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP) — President Kim Yong-sam sent a telegram of condolence to the Israeli Government Sunday to express his deep sorrow over the death of Israeli Prime Minister Yitzhaq Rabin.

President Kim said that he cannot restrain shock and astonishment at the report that Prime Minister Rabin

was shot and killed by an assassinator [as received] shortly as he left a peace rally.

"The Korean people and I express deep condolence to the Israeli people and his bereaved family. We lost a great statesman," he said.

He said that the Korean people are sure that the late Prime Minister Rabin's contribution to and sacrifice for the peace of the Middle East was not in vain.

"We give our warm support to the Israeli people and government who will make his efforts for peace bear fruits," Kim said in his telegram of condolence.

Ministry on Israel's 'Shock' at Rabin's Death

SK0511064495 Seoul YONHAP in English
0639 GMT 5 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP) — The South Korean Foreign Ministry hoped Sunday that the Israeli Government will overcome the shock from the death of its Prime Minister Yitzhaq Rabin as soon as possible.

The ministry issued a statement that it wants the efforts Prime Minister Rabin and the Israeli Government have made for the peace of the Middle East to bear fruits.

"The South Korean Government cannot restrain shock at the death of Israeli Prime Minister Yitzhaq Rabin. Prime Minister Rabin was one of the greatest statesmen of this era, and he will be remembered as the leader who made great contributions to the peace of the Middle East as well as of the world," the statement said.

Rabin Condolence Delegation Leaves Seoul 5 Nov

SK0511042495 Seoul YONHAP in English
0419 GMT 5 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 5 (YONHAP) — The government said Sunday it sent a condolence delegation to Israel.

The delegation, led by Prime Minister Yi Hong-ku, headed for Israel aboard KAL Flight 901 which left Kimpo International Airport at 1:00 PM Sunday [0400 GMT 5 November].

Other delegates are Vice Foreign Minister Yi Si-yong, Chief Secretary to Prime Minister Song Tae-ho, accompaniment department Chief of the Prime Minister's Office Kim Nam-sok, Aide to Prime Minister for Protocol Yim Pyong-hyo and Middle East Department Chief of the Foreign Ministry Chong Yong-chil.

Israel Cables Thanks for Sending Delegation

SK0611072195 Seoul YONHAP in English
0717 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The government of Israel on Monday cabled a message to the South Korean Government expressing its appreciation for the South Korean Government's dispatch of a delegation to the funeral service of Israeli Prime Minister Yitzhaq Rabin, Foreign Ministry Spokesman So Tae-won said.

Prime Minister Yi Hong-ku led a six-member South Korean condolence delegation to the funeral of the deceased Israeli premier which was held Monday afternoon.

Lauding Rabin for his efforts to achieve peace in the Middle East, President Kim Yong-sam Sunday dispatched a telegram to the Israeli Government to offer his condolences over Rabin's death.

The South Korean Foreign Ministry meanwhile issued a statement, hoping that the efforts by Rabin and his government for peace would produce results.

Foreign Minister Expresses Condolences at Embassy

SK0611065095 Seoul YONHAP in English
0645 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — Foreign Minister Kong No-myong Monday visited the Israeli Embassy in southern Seoul to express condolences over the shooting death of Israeli Prime Minister Yitzhaq Rabin, Foreign Ministry Spokesman So Tae-won said.

Rabin was shot to death by an ultra-rightist Israeli law student, who opposed the peace agreement with Palestine, while attending a peace rally in Israel Saturday.

Israeli Ambassador: Peace Process To Continue

SK0611062895 Seoul YONHAP in English
0611 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The peace process in the Middle East will proceed "without hesitation" despite the assassination of Israeli Prime Minister Yitzhaq Rabin on Saturday [4 November], Israeli Ambassador to Korea Arye Arazi said Monday.

Noting that the assassinations of Egyptian President Anwar Sadat and civil rights leader Martin Luther King did not stop their respective causes, Arazi asserted that the murder of the late prime minister would not interrupt

the peace proceedings that he helped to promote, calling it Rabin's "legacy".

"The story of his life was serving his country," Arazi said about Rabin, who became Israel's leader in 1992 and whose landmark handshake with Palestinian Liberation Organization (PLO) Chairman Yasir 'Arafat in Washington, D.C., a year later helped earn both leaders and Israeli Foreign Minister Shim'on Peres the 1994 Nobel Peace Prize.

Soon after his death, about half a million Israelites, approximately ten percent of the population, gathered at Rabin's private residence lighting candles to mourn the loss of their leader, noted the ambassador, saying "The whole country is in shock."

In denouncing the shooting, the ambassador quoted a fundamental belief in Jewish doctrine based on the Ten Commandments, "Thou shalt not kill."

"The way to replace government is through election," remarked Arazi, adding, "You can disagree, you can shout, but you can't shoot."

The alleged gunman was identified as having been involved with right-wing, anti-government Jewish groups opposed to the peace settlement with the Palestinians, according to Israeli Government sources. Arazi further noted that throughout Israel's history, there has never been a political assassination prior to Rabin's.

"In order to show that Israel is a democratic society and that political murder is not acceptable," the ambassador announced that his nation's main opposition party had already given its full support to its Foreign Minister Peres to succeed Rabin and that the party "will not use the tragedy to gain more power."

Acknowledging that Rabin and Peres shared the same ideas of peace, Arazi said that the conditions of the peace process, including the Israeli withdrawal from the West Bank, will proceed as scheduled with no delays, saying that the Palestinians are implementing the Israeli-Palestinian interim agreement signed Sept. 28 on the West Bank and the Gaza Strip.

He even suggested that the manner of Rabin's demise may even result in closer cooperation between his country and neighboring Arab states due to the mutual "recognition of fundamentalism as dangerous to the peace process."

On the issue of alleged nuclear arms sales by North Korea to certain Middle Eastern countries, Arazi said that Israel was instructed in 1993 to avoid negotiations with North Korea on its nuclear program by the United States and South Korea because it might interfere with the ongoing framework agreement with the Korean

[Peninsula] Energy Development Organization (KEDO) and Pyongyang. Though it had urged North Korea on several occasions to cease its nuclear program prior to 1993, he said, Rabin had sought to end nuclear talks with the Stalinist state since then.

Rabin's funeral was scheduled for Monday afternoon in Jerusalem with 70 heads of state scheduled to attend, including leaders from 10 Arab countries who had warred with Israel in the past, according to Arazi.

Seoul, U.S. Agree To Form Strategic Council

SK0511044095 Seoul HANGYORE SINMUN
in Korean 5 Nov 95 p 2

[Report by Kang Tae-ho]

[FBIS Translated Text] The ROK and the United States have reportedly agreed to inaugurate the ROK-U.S. high-ranking Strategic Consultative Council, a deputy ministerial-level channel for diplomatic and security dialogue which the two countries agreed to establish at the summit talks held in July. The council will be inaugurated no earlier than this November. Both sides have begun consultations on the details.

On 4 November, ambassador to the United States Pak Kon-u, who returned home to participate in the annual ROK-U.S. Security Consultative Meeting [SCM], said he discussed the inauguration of the Strategic Consultative Council during his stay. He added that, upon his return to Washington, he will deliver our government's position to the United States and will seek an agreement on the timing and place to hold the high-ranking Strategic Consultative Council.

With the opening of this channel for ROK-U.S. diplomatic and security dialogue, the ROK and the United States are expected to discuss not only the North Korean nuclear issue, but also the establishment of a peace system and multilateral security on the Korean peninsula.

In another development, U.S. Nuclear Ambassador [title as published] Robert Gallucci, who has been in charge of North Korean nuclear affairs, will reportedly be assigned to handle Bosnian affairs. Instead, Winston Lord, assistant secretary of state for East Asian and Pacific Affairs, will reportedly take over North Korean nuclear affairs.

Daily on USIS Comment on Financial Services

SK0511061895 Seoul HANGYORE SINMUN
in Korean 5 Nov 95 p 3

[Editorial: "Even the United States Information Service Has Become Involved in Trade Pressure"]

[FBIS Translated Text] We do not know what role the ROK office of the United States Information Service [USIS] plays. However, if we recall that USIS was once called the American Cultural Center, it seems clear this office does not handle diplomacy, trade, or other significant affairs. However, USIS has recently commented on ROK-U.S. trade. We are not complaining if USIS insists trade is an issue to be handled by a public relations agency; however, it is quite unusual. USIS announced that the ROK should further liberalize its domestic financial market if it wants to enjoy the privilege of most-favored-nation trade status in financial services. We have no reason to be surprised at this news, because the United States did not just begin its offensive to open the ROK financial market. However, it is difficult for us to conceal our displeasure when even a public relations agency has become involved.

Nevertheless, there is a more serious problem involved than our displeasure. During consultations between an ROK assistant minister of finance and economy and his U.S. counterpart, the United States reportedly promised to continuously provide the ROK with most-favored-nation trade status. However, USIS said this is not true. If the agreement between ROK and U.S. officials has been misreported, then this must be corrected. We do not know if there was any misunderstanding during the consultations, or if the United States is employing a smokescreen. However, the United States should not try to solve its problem in this manner. The correct procedure is to reexamine the consultations and to correct misunderstandings, if any, through official channels. It is unusual that the United States denied the agreement one month after the consultations. Moreover, the United States said that at present it is difficult to provide the ROK most-favored-nation trade status given the extent of the ROK's opening up in financial services. This is a warning that if the ROK does not speed up its schedule for opening up its markets, the United States will place the ROK at a disadvantage. This is why we are concerned. The ROK Government should allay the people's suspicion that the government may have stupidly handled this matter, thus bringing shame on the nation.

The ROK Government made disgraceful concessions during the ROK-U.S. automobile talks. Nevertheless, we thought we would be spared for some time because of the concessions. However, now the United States

has chosen the financial and communications markets as its target. A U.S. communications company, which has tried to advance into the ROK mobile communications market, has reportedly asked an ROK Government to accept analog types, which are less efficient, or to buy digital equipment manufactured by the U.S. company. It has even threatened to retaliate in other areas if the ROK Government does not grant its request. The ROK's balance of trade with the United States slipped \$5.2 billion into the red as of the end of September; that deficit was \$600 million at the end of September last year. Out of a total ROK trade deficit of \$9.3 billion, \$5.2 billion of that was with the United States. Yet the United States still complains and tries to find fault with us. Under these circumstances, the ROK may be able to solve the problem more quickly if the United States "instructs" us on what to do and how to do it.

Envoy to U.S. Views Expatriation of No's Aide

SK0411060095 Seoul YONHAP in English
0540 GMT 4 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 4 (YONHAP) — South Korea will ask the U.S. Government for its cooperation in the return to Korea of a former presidential secretary who served the No Tae-u administration and defected to the United States amid allegations that he was involved in a slush fund scandal in connection with the sale of F-16 military fighters to South Korea, South Korea's ambassador to Washington said Saturday.

"The South Korean Government will make a government-level official request for the U.S. Government to render cooperation in the return of former Presidential Secretary for Foreign Affairs and National Security Kim Chong-hwi, if he is required here to answer questions in connection with the alleged creation of a huge slush fund involving the sale of the F-16s," said Pak Kon-u who visited Seoul to attend the annual South Korea-U.S. Security Consultative Meeting (SCM).

Pak said that the U.S. Senate has yet to ratify a pending judicial cooperation agreement between South Korea and the United States, apparently because of procedural delays, adding that there cannot be any other reason for the hold up, including the upcoming elections, for the U.S. Congress to delay the ratification of the agreement.

Pak added that Kim does not have permanent residency status in the United States, his visa is only valid for an extended stay.

He also said that he was unaware if the ongoing No Tae-u slush fund scandal had any adverse effects on South Korea's diplomatic activities in Washington because he

left the U.S. capital before last Friday when the matter became such a hot issue.

Park, however, said that he will try not to let the issue adversely affect the country's image in the United States when he returns to Washington Sunday.

He also said that South Korea should not underestimate the role U.S. forces stationed in Korea play as a deterrent to war on the Korean peninsula.

"Although North Korea is suffering from severe economic plight, the military power of the North still remains strong," said Pak who visited Seoul to attend the security meeting between South Korean Defense Minister Yi Yang-ho and U.S. Secretary of Defense William Perry.

Underscoring that the North's suspected nuclear weapons project has not been canceled but suspended temporarily under the Geneva framework agreement reached last year, Pak stressed, "We should continue to pay attention to the importance of close security relations between South Korea and the United States."

He also said that he understood that North Korea is delaying the exchange of liaison offices between Pyongyang and Washington due to internal matters. He, however, did not elaborate on what those matters are causing the delay to the opening of liaison offices.

On the issue of replacing the current Korean Armistice Agreement with a peace regime, he said that South Korea is talking with the United States and Korea's neighboring countries and taking into consideration the positions of all the countries concerned.

He said that South Korea and the United States will start talks on South Korea's entry into the Missile technology Control Regime (MTCR) during November as agreed during the SCM which ended Friday.

"I think that the MTCR talks will probably be led by Assistant Secretary of State for East Asia and Pacific Affairs Winston Lord and will be held before the SOFA Committee meeting being held later this month," he said.

U.S. Nuclear Ambassador [title as received] Robert Gallucci, who played a major role in the signing of the nuclear agreed framework between North Korea and the United States, may be transferred to another position in charge of Bosnian affairs.

"The reason is that the North Korean nuclear issue is already being handled by the Korean Peninsula Energy Development Organization (KEDO) and Winston Lord has taken over North Korean nuclear affairs," he said.

Seoul Plans To Indict No on Bribery Charges

SK0511072895 Seoul CHOSON ILBO in Korean
5 Nov 95 p 1

[Report by Choe Won-sok and Chu Yong-chung]

[FBIS Translated Text] It was learned on 4 November that in connection with Former President No Tae-u's slush fund scandal, the ROK Government plans to detain Mr. No before the end of this week after questioning businessmen and accumulating evidence strong enough to indict him on bribery charges.

It was also learned that considering his health, the government was examining ways to "suspend his detention" and confine him in a hospital. The government reportedly plans to confine him at the Seoul National University hospital. Pertinent government officials explained the background of this plan on 4 November, saying: "No Tae-u will be the first ROK president to be detained. Therefore, it is difficult to detain him in a police cell or a detention house. Also, we must consider his health, which was shown when he was questioned for the first time."

They also said: "The Prosecutor's Office has questioned almost none of the business leaders. However, significant progress has been made in its investigation of which businesses gave money to No Tae-u, when and how much money they gave to him, and when those companies received favors in government contracts." They also said: "We believe it will not be difficult to detain Mr. No before the end of this week."

Prosecution Begins Search for Businessman Pae

SK0411014395 Seoul YONHAP in English
0124 GMT 4 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 4 (YONHAP) — The prosecution, investigating former Chairman Pae Chong-yol of the Hanyang Group for allegedly contributing 20 billion won to former President No Tae-u's slush fund, obtained Saturday a court order to watch his home and tap his family's telephone conversations in its bid to locate the businessman who has been at large for several days.

The court order was the first of its kind sought by the prosecution since it began investigating the No Tae-u secret fund scandal last month.

Pae is one of the two businessmen the prosecution plans to summon for questioning before it interviews other businessmen in connection with the No scandal, including Chairman Chong Tae-su of the Hanbo Group who is suspected of having helped No hide the secret fund.

An official said the prosecution had been granted a court order to place Pae's home and his family under surveillance because he has disappeared for several days. The businessman is suspected of having helped No raise political contributions while in office, he added.

Pae has been served a summons three times but has not complied, he added.

The prosecution reportedly obtained information that Pae gave No a total of 20 billion won between 1990 and 1992.

Meanwhile, the prosecution will summon Chong Tae-su for questioning sometime Saturday regarding how he helped No hide the secret fund.

'Thousands of Demonstrators' Demand Arrest of No

*SK0511034495 Seoul THE KOREA HERALD
in English 5 Nov 95 p 3*

[FBIS Transcribed Text] Thousands of demonstrators demanding the arrest of former President No Tae-u involved in the slush fund scandal clashed with riot police late yesterday in Seoul and other major cities.

More than 10,000 students and other citizens, some wielding iron bars and hurling bricks and stones, fought running battles with helmeted police in Chongno in central Seoul till late into the night.

"Death to everyone involved in corruption," demonstrators chanted, their eyes streaming from volleys of tear gas shells shot by police.

Dozens of protesters were arrested during the confrontation with riot police near Chongmyo Park, where a massive rally was held beginning 4:00 p.m. [0700 GMT]. As clouds of tear gas swirled around the area, the demonstrators retreated to a nearby shopping district, pouring through its narrow streets.

The clash caused a severe traffic jam in central Seoul and other cities.

Violent protests erupted elsewhere in Seoul and in other cities around the country as demonstrators demanded the arrest of No, who tearfully admitted last week to amassing 500 billion won in slush funds.

Thousands of riot police were deployed at streets near the place of the massive rallies.

The demonstrations were also reminiscent of the popular outpouring of rage against military-backed rule before No took power.

The protesters are also demanding that No and his predecessor, Chon Tu-hwan, be put on trial for their role

in crushing a pro-democracy movement in Kwangju in May 1980. The two were military generals at that time.

For the punishment of those involved in the brutal crackdown on the civic uprising, leaving over 200 people dead and more than 1,000 injured, they urged the government and its ruling party to pass a special law.

The angry students and citizens also urged President Kim Yong-sam to make public how much money was spent for his campaign during the 1992 presidential election, and how much money he received from No.

Before gathering at Chongmyo Park, student and civic groups held rallies separately across Seoul, honking car horns and waving white handkerchiefs. At exactly 3:00 p.m., Chongno rang with the deafening sounds of car horns, and was aflutter with white handkerchiefs waved by pedestrians, commuters and bus passengers in a gesture to demand No's arrest.

A group of Protestant churches held a rally at Mar-ronnier Park in Taehangno at 1:00 p.m. After the gathering, participants marched to Chongno and joined the crowds at Chongmyo Park.

A group of those injured during the May 18 Kwangju Democratization Movement also joined the rally at Chongmyo Park after holding an assembly in Ulchiro at 2 p.m., while members of the Preparation Committee for the Federation of Democratic Trade Unions marched to Chongmyo Park to take part in the gathering there after finishing a rally at Marronnier Park at 2 p.m.

Thousands of members of the Federation of Korean Trade Unions held a rally at Changchungdan Park at 2 p.m. and called for severance of the under-the-table dealing between the political circle and business community. After the rally, they marched to Tongdaemun Stadium.

Amid the ever-increasing criticism on the illicit ties government and business, the Federation of Korean Industries, or a group of the nation's leading business conglomerates, promised Friday that it will stop the behind-the-door dealing. Some business leaders are confirmed to have been involved in No's political secret fund scandal.

NCNP To Hold Hearings on Investigation of No

*SK0611044395 Seoul YONHAP in English
0426 GMT 6 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The major opposition National Congress for New Politics (NCNP) decided Monday to promote a National Assembly hearing on the slush money scandal involving

former President No Tae-u in a bid to ensure that the prosecution's ongoing probe is conducted faithfully and that no facts are concealed by what it called "a political bargaining."

The decision was reached at an NCNP key post holders' meeting held Monday morning at the party's Yoido headquarters, presided over by party President Kim Tae-chung.

Based on the decision, the NCNP intends to propose a floor leaders' meeting Monday to discuss holding a parliamentary hearing on the illicit activities conducted by the Sixth Republic under former President No's leadership and the establishment of an ad hoc parliamentary committee to review the military suppression of the May 16, 1980, Kwangju democratization movement.

NCNP Floor Leader Sin Ki-ha said, "We cannot erase the impression that the prosecution's investigation of the slush fund scandal is daunted or covered up by a 'political bargaining.' Since nothing substantive can be expected out of the prosecution's probe, we've decided to resort to the National Assembly's investigative prerogative."

At the same time, he said, a special May 18 law should be enacted and a special prosecutor appointed to look into the bloody suppression of the civil uprising in Kwangju of May 1980.

"We will formally propose a floor leaders' meeting sometime Monday to discuss those issues," Sin added.

Parties Oppose NCNP Proposal

SK0611070295 Seoul YONHAP in English
0657 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The ruling and minor opposition parties voiced objections Monday to the major opposition National Congress for New Politics' (NCNP) proposal that a parliamentary hearing be held on scandals involving the Sixth Republic on the grounds that it is premature.

Ruling Democratic Liberal Party (DLP) Spokesman Son Hak-kyu opposed the proposal, saying, "It is not conducive to finding out what really happened, to hastily demand a parliamentary investigation or hearing while the prosecution's probe is still underway."

Son criticized the NCNP of "attempting to dilute the public sense of betrayal and indignation for NCNP President Kim Tae-chung's acceptance of 2 billion won from former President No Tae-u's slush fund and to divert public attention on that matter elsewhere."

Minor opposition Democratic Party Spokesman Yi Kyu-taek commented, "Now that the prosecution's investiga-

tion is in progress, it is inappropriate to discuss holding a public hearing."

Spokesman Ku Chang-nim for the splinter United Liberal Democrats said, "It's a matter that should be discussed after the ruling party explains its stance on the issue and after seeing the outcome of the prosecution's investigation."

DLP on Effort To Distance Itself From Scandal

SK0611051395 Seoul YONHAP in English
0457 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — The ruling Democratic Liberal Party (DLP) suggested Monday that it will make efforts to distance itself from the No Tae-u slush fund scandal and will begin focusing on the management of the regular session of the National Assembly.

DLP Chairman Rep. Kim Yun-whan told a meeting of senior party officials Monday morning that the party should perform its duties faithfully through any crisis because the ruling party takes unlimited responsibility for the nation's administration.

He said, "The interests of everyone have been concentrated on the slush fund scandal. The prosecution will uncover all the facts of the case and clear up any suspicion the people may have. The party should make efforts to help the people regain their peace of mind."

He added that the important thing, especially in the current situation, is to protect the people's livelihood.

Meanwhile, the ruling party decided to open meetings Monday between senior party officials including Rep. Kim and the lawmakers belonging to the National Assembly's permanent committees to strengthen the solidarity of party members.

Since the slush fund scandal was reported, there has been rumors that the current political structure will be reorganized to drive out lawmakers who had been ruling party members under the former Chon Tu-hwan and No Tae-u governments.

The ruling party also decided to resume reorganization work at its district chapters in preparation for next year's general elections.

Investigation With No in Custody 'Very Likely'

SK0611065295 Seoul YONHAP in English
0648 GMT 6 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 6 (YONHAP) — Information Minister O In-hwan indicated that an investigation with former President No Tae-u in custody

is a very likely possibility, saying, "public opinion will not allow him to be unrestrained."

Minister O made the remarks to reporters on Monday after being asked about the legal proceedings surrounding No's slush fund.

He continued that there has never been such a consensus as now regarding the possible arrest of the former president.

In-depth examinations of No's real estate speculations and the alleged illicit fortune stashed abroad should also be carried out, the minister emphasized.

Regarding the timing of a possible future probe with No in custody, O forecast it could take place within two or three weeks, given the upcoming state visit to Seoul by Chinese President Jiang Zemin.

Burma

PRC Helps With New Kyaukphu Island Naval Base
BK0511073295 (Internet) BurmaNet News in English
1 Nov 95

[Unattributed report from the August-September issue of the VOICE OF THE PEACOCK magazine published by the All Burma Students' Democratic Front]

[FBIS Transcribed Text] The Slorc [State Law and Order Restoration Council] is currently building a new navy base near Thit Poak Taung village on the island of Kyaukphu in Arakan State with the help of Chinese experts. For this new navy base, the Slorc has taken over more than 300 acre of land from local people without any compensation. It is believed that the new navy base will be equipped with a high-tech radar system. Over 30 buildings have already been built on the island, but no details about the new base have been released by the Slorc. Kyaukphu island is the biggest island in Burma waters.

Efforts of Thai 'Embattled Government' Viewed
BK0611101295 (Internet) BurmaNet News in English
5 Nov 95

[Report by Shan Herald Agency News dated 31 October: "Banhan Tightening Another Screw on Shans"]

[FBIS Transcribed Text] Hit hard by reports of breaking up, the almost three-month old Banhan government of Thailand has decided to turn into a drug fighter for a way out, with special emphasis on amphetamines, a government source disclosed. Naturally, the Shan armed groups, which include the Muang Tai Army and the United Wa State Army, whose strongholds along the Thai border are reported to be producing amphetamines are going to receive special attention, he said.

The Thai official, who requested his name not be revealed, told S.H.A.N. [Shan Herald Agency News] the embattled government would not consider the Shan proposal in September to act as a mediator between the Shans and the ruling Burmese junta for a negotiated settlement of their problems. The reason, he said, was because of continued suspicion by the Burmese of Thai motives especially with regard to the Shans. Shans and Thais belong to the same ethnic stock known as Tais.

The tightening of the screw would begin in November, he added. "We are not doing this to please either the Burmese or the Americans. It is to protect our own people from your amphetamine invasion."

Maung Aye Returns From UNGA Special Session

BK0511153195 Rangoon Radio Myanmar in Burmese
1330 GMT 5 Nov 95

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander in chief of the Defense Services of the Union of Myanmar [Burma], welcomed General Maung Aye, vice chairman of the SLORC and deputy commander in chief of the Defense Services, at 1900 today. Gen. Maung Aye was returning to Yangon [Rangoon] after attending the special session of the 50th UN General Assembly [UNGA] held at the UN Headquarters in New York.

With Senior Gen. Than Shwe were Lieutenant Gen. Khin Nyunt, secretary-1 of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, SLORC members and deputy prime ministers; SLORC members, ministers, high-ranking military officers, and responsible personnel; Mr. Valeriy Vartanovitch Nazarov, dean of the diplomatic corp in Myanmar and ambassador of the Russian Federation; U.S. Charge d'Affaires Marilyn A. Meyers; Japanese Ambassador Takashi Tajima; Singaporean Ambassador Calvin Eu Mun Hoo; Mr. Douglas Gardner, acting resident representative of the UNDP [United Nations Development Program]; (Mr. Montial Odigial Besi), minister counsellor of the French Embassy, and responsible personnel.

Nai Shwe Kyin Addresses SLORC Leaders

BK0411101095 (Internet) BurmaNet News in English
30 Oct 95

[Speech by Nai Shwe Kyin, president of the New Mon State Party, delivered at the Ministry of Progress of Border Areas and National Races and Development Affairs in Rangoon on August 30]

[FBIS Transcribed Text] Respected senior general Khin Nyunt, all other members of the State Law and Order Restoration Council [SLORC], and ministers and officers of your respective ministries:

For eternal peace in the country, for the development of the country into a modern state, and for reconciliation in the whole country, we have come here to meet with the officers of the State Law and Order Restoration Council.

During the Thaton, Suwannaphumi, and Pagan periods and again today, we Mon and Burman brethren have worked together. We have jointly struggled for the existence of our country. We have both inherited Buddhism, which came from India 2000 years ago, and together we have spread it all over the country. United through Buddhism, we have experienced good and bad

together. During the latter part of our history, in the Hongsawaddy, Toungoo, Ava, and Konbaung dynasties, the Mon and the Burmans became less united because of the ambitions of Mon and Burman kings.

In 1885, we became a colony under imperialist rule. Refusing to be dominated by the colonial powers, we fought together against the imperialists. Mon anti-imperialist leaders include a rich man by the name of Nai Auk, who struggled against the British in the Irrawaddy inland waterways, and he also used his riches to build pagodas and other religious structures for Buddhism. Another, Thammada Chit Hlaing, set up a petroleum factory in Thilohwa to compete with the British Oil Company, which ended up resulting in his bankruptcy. He was also known as Wunthanu U Chit Hlaing, and his name was known all over the country when he worked as a national leader. Before World War II, he even became the chairman of the legislative council. During the period of rebellion against the imperialist powers, when the Thirty Comrades fought against the British and the Japanese, thousands of Mon worked together with the Burmans. After independence in 1948, even though other nationalities were accorded their respective rights, the Mon were not. So because of dissatisfaction from that time onwards, the Mon have had to engage in a civil war in Burma for nearly half a century. We brethren have had to fight against each other. Just as good citizens from our side were lost, so the Burmese Army also lost several lives because of the civil war. The people countrywide suffered too, and development in the country has stagnated. That is why all the people wanted this abominable civil war to stop so that they might achieve lasting peace. They were longing for peace, and we should not leave a legacy of war to posterity.

To upgrade the quality of life for the people and to serve them again, we should sacrifice our selfishness together with our parties' narrow interests. And we should respect the wishes of the people rather than the interests of individuals and political parties.

Instead of resolving our differences through arms, we should resolve them through a dialogue in which we have equal status. The international community demands that we two groups meet together to bring about peace in the country instead of continuing to fight with weapons. That is why on June 29, the New Mon State Party [NMSP] and the SLORC came to a successful cease-fire agreement.

We should forget all the losses suffered on both sides. We should forgive each other. We should stop hating and start loving each other. We should treat each other as brothers again.

With our reconciliation we should endeavor to develop our country. The world today is also looking forward to the end of armed conflict and the expansion of economic development. We should rebuild the country so that it is economically independent and can be accepted in the international community as one of the progressive countries. Only with a modernized open-market economy can we raise the standard of living of the people. Because ours is a country of many nationalities, the unity of all these ethnic nationalities is very important. We should work from the basic principle of the equality of all brethren so that we can build up a true union. Only after a brotherhood of equality has been established can a true union be built.

We should not pride ourselves for being in the majority instead of the minority or being part of stronger rather than weaker groups. We should give up all these attitudes. Instead we should follow the Burmese saying that the crow and the wild pheasant respect each other. We should adopt that attitude and put love first. We must not destroy our nest, but find a way to go on living together.

I would like to relate an experience I had. In 1992, I went to the Moral Re-armament Association Conference in Switzerland. Switzerland is united into a federation with more than 20 cantons. In that country there are four official languages: German, French, Italian, and a native language mixed with Latin. At that conference, a professor from a Swiss university came and gave a lecture. He said, "my country is a small country, but we have 4 official languages. Is that too much?" He explained that the three former languages are quite stable, but the native language is used less and less, so now the Swiss government has to actively support it so that it doesn't die out. Because the government is looking after that language, it is still alive. In our country, we should adapt what they've been doing in Switzerland. We shouldn't copy their policies exactly, but we should adapt them to the situation in our country. I urge that we preserve the various languages, cultures, and literatures of our country just like the progressive countries of the world are doing.

Even though we Mon have a long history of having our own language, literature, and culture, because we don't have the privilege of developing them, they are lagging behind other languages and other people. We Mon haven't received our due rights under the previous governments. Only in 1974 did the Mon State come into existence. Only then were the Mon recognized as a separate people. Former governments failed to stop the armed conflict, and it has only been during the SLORC period that this cease-fire agreement was able to be reached. The realization of this cease-fire has been

gladly welcomed not only by the NMSP, but also by other armed organizations and other political parties as well as the monks and the people. To retain our sovereignty, the unity of all ethnic groups is the primary objective. Only after that can peace and tranquillity, an open market, and regional development materialize.

The negative effect of the armed conflict has been that our country's progress has been slowed down. To rebuild our country, we must take 10 steps forward for every one step that other peoples take, so that we can catch up with them. We should try our hardest, both physically and spiritually.

I have full confidence in the SLORC, so on behalf of the Mon people and the New Mon State Party, I have come to meet the head of SLORC and the SLORC leaders.

To attain harmony among all the ethnic nationalities, the New Mon State Party will try its best to encourage them to accept cease-fire agreements. I strongly believe that if the SLORC, together with all the other ethnic groups and other political parties can sit together and discuss possible solutions, we can surely find a workable policy for the future of our union.

In conclusion, in order to have very warm relations between all ethnic groups, to ensure the longevity of our sovereignty, to uplift the standard of living of the people, and to rebuild our country into a moral and progressive nation, the New Mon State Party will work together with the State Law and Order Restoration Council to the best of its abilities. With that, I conclude my speech.

Thank you all very much.

SLORC-NMSP Cease-Fire Agreement Detailed

*BK0411143295 (Internet) BurmaNet News in English
31 Oct 95*

[Report by Christina Fink: "Particulars of the Mon Cease-fire Agreement"]

[FBIS Transcribed Text] This report is based on information provided by Nai Shwe Kyin, the President of the New Mon State Party (NMSP) and other Mon representatives in Thailand. Nai Shwe Kyin spent 2 months in Burma meeting with the SLORC, discussing the cease-fire agreement, and touring the Mon State.

Provisions of the Ceasefire Agreement: The NMSP will be permitted to do business by itself as well as to participate in joint ventures with the SLORC or with foreign companies. A Mon holding company has been established and registered by the SLORC, and the SLORC has stated that all business should be organized through this company. The name is Rehmonnya International.

Certain businesses will be given a preferential tax rate.

Note: Nai Shwe Kyin reported that the SLORC ministers asked him to do business with Malaysia and Singapore, but to try to avoid doing business with Thailand. In particular, the Mon should not sell logs or seafood to the Thais. He has already received offers from several companies in Thailand, Malaysia, and Singapore interested in establishing joint ventures.

Nai Shwe Kyin and a few other members of the Central Executive Committee of the NMSP have been given Burmese passports, but these are only good for three countries: Thailand, Malaysia, and Singapore.

The Mon will be allowed to continue running their schools and clinics, but they will not receive any support for this from the SLORC. If the Mon cannot support their teachers, the SLORC will send it its own teachers, who will be paid to teach the SLORC curriculum. The Mon can also send their teachers to be trained in the SLORC curriculum, and these teachers will be paid if they return and teach the SLORC curriculum.

The NMSP cannot collect any taxes from the Mon people. Only the SLORC has the right to collect taxes in the Mon State.

The SLORC will provide the NMSP with the equivalent of 400,000 baht per month for food for the NMSP. (Note: this is not enough to cover all of the NMSP, let alone the teachers.)

The NMSP cannot contact any foreign organizations or receive any cross-border assistance from Non Governmental Organizations [NGOs]. They can only work with NGOs which come through Rangoon and are SLORC-approved.

NMSP soldiers can remain in 12 small, designated areas. Whenever they go out of these areas, they cannot carry their weapons.

17 Economic Enterprises were proposed by the New Mon State Party and approved by the SLORC. They are as follows:

1. To extract felled logs and sell them to any country except Thailand. (These logs were cut by Thai companies, but the SLORC revoked the Thais' permits, and the companies had to leave the logs where they were felled.)
2. Sea fishing
3. Give rights for 4 boats carrying contraband goods from Singapore and Malaysia to bring their supplies into Burmese ports each month.
4. Inland transport business — car, truck, and rail transport of goods and passengers, including the transport

of salt from Mon State to Northern Burma (especially Mandalay).

5. Cut old rubber trees, and make them into furniture to be sold
6. Construction contracts — for bridges, roads, and buildings
7. Sun-dried salt industry
8. Gold mining: there is gold in the upper reaches of the Sittang River
9. Marble mine — 10 miles east of Moulmein
10. Ice factory — used to be run by Thais on an island in the Andaman Sea, but now the Thais have been forced to leave, so the Mon can take it over
11. Animal feed products — given access to more than 1000 acres of land near Rangoon for grass growing to sell to Korea and Japan.
12. Fish products to feed pigs/ducks
13. Prawn breeding
14. Soft drink factories
15. Gas/diesel suppliers for trawlers and motorcars in Mon State
16. Tourist business
17. Grow rubber and cashew nut trees

Conclusion: Nai Shwe Kyin is quite optimistic about the potential of Mon businesses and feels that the Mon State will develop very rapidly. Some projects will take longer than others, however, so the benefits may not be immediate. Nai Shwe Kyin and the other members of the NMSP were pleased with the deferential treatment they received from the SLORC.

After meeting the SLORC, they were able to travel through every district in Mon State to meet with the Mon people. Thousands of villagers turned out to meet Nai Shwe Kyin at each place he stopped, and he gave speeches to the villagers in the local temples, and then allowed them to ask questions. In the rural areas, most of the questions had to do with taxes: some asked if the SLORC would stop collecting porter fees now that there was a ceasefire. Others asked if their tax rate would go down now. One person even asked if it would be possible to get a rebate on some of the taxes previously paid to the SLORC. In the towns, many of the questions had to do with education. Education in the Mon language is a topic of critical concern to a large number of Mon.

While Nai Shwe Kyin himself is very excited about the future of the Mon State, others are taking a more skeptical view of the ceasefire settlement. Many Mon suggested that there is a great danger that the NMSP will become too wrapped up in making money, and the Mon people will feel that the NMSP does not have their interests at heart. In addition, it will be very difficult

for the NMSP to support their schools since they are not allowed to collect any taxes or receive cross-border assistance. How long the SLORC will provide financial support for rice for the NMSP is also unclear. Moreover, whether the 17 projects will turn out to be financially viable or not remains to be seen.

The SLORC has tried to isolate the NMSP by telling them that there is no need for tri-partite negotiations. Khin Nyunt stood up after Nai Shwe Kyin's speech in Rangoon and said "we don't want any third party", there is no need to talk to the pro-democracy groups. If the NMSP goes along with the SLORC's demand to not do business with the Thais, relations between the Mon and the Thais may become more strained as well.

The ceasefire agreement has left many issues unresolved. Where the refugees will be sent back to has not yet been decided, and most do not trust the SLORC. The SLORC has not promised to stop using forced labor in the Mon State, and there is no guarantee that human rights abuses will end. The SLORC has also insisted that the Mons' political grievances cannot be resolved by the SLORC as the SLORC is only a temporary caretaker government. How long the ceasefire lasts, and, most importantly, whether conditions for the people improve in Mon State, remains to be seen.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Hopes Rabin Death Not To Affect Peace

BK0611063895 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 6 Nov 95

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed hopes that the assassination of the Tel Aviv regime's leader will not affect the West Asia peace process. Commenting on the situation in that region, he stressed the need for involved parties to continue the peace process and to refuse to yield to the pressure of hardliners.

The prime minister said what is important now is that the Israeli people should give their full support to efforts to end the conflict with the Palestinian people.

[Begin Mahathir recording, in English] As far as Malaysia is concerned, we support the peace process and we hope that the two sides will pick up [words indistinct]. [end recording]

Opposition to France's Nuclear Tests Expressed

*BK0511140895 Kuala Lumpur Voice of Malaysia
in English 0810 GMT 4 Nov 95*

[Station commentary]

[FBIS Transcribed Text] France's third nuclear test in the South Pacific is outrageous and a mockery of its commitment to nuclear nonproliferation. In yet another strong-worded statement, the Foreign Ministry underlined Malaysia's condemnation at the third test in two months undertaken by the French at Mururoa Atoll.

It is outrageous that in the face of the overwhelming international opposition and widespread protests against the resumption of its tests, France decided to detonate yet again another nuclear device.

While Malaysia welcomed France's announcement that it would sign the protocol in the South Pacific Nuclear Free Zone Treaty, the latest test raised the question of the seriousness of its commitment to nuclear disarmament. Malaysia also called on the French to refrain from further tests and also asked them to contribute positively to international disarmament efforts to realize a nuclear weapon-free world.

The Foreign Ministry also reiterated Malaysia's strong opposition, not only to nuclear testings by the nuclear-weapon states, but also to their continued possession of this weapon of mass destruction. In fact, Malaysia has asked countries to show stronger commitment to the goal of disarmament, and we also need elimination of such weapons through a program reduction and the elimination of the nuclear arsenal.

The French nuclear testings certainly brought the global community together and, in Malaysia, even the political parties. They agreed on a five-point resolution, which was handed over to the French Ambassador Edouard Braine in Kuala Lumpur. The two-page memorandum was signed by leaders of 25 political parties, both in the government and the opposition. The unanimous stand adopted by the political parties was historic, for it was the first time since pre-independence day, the political parties—irrespective of their struggle—were united for a single issue which affected global interests.

The memorandum, among other things, demanded in the strongest term that the French Government apologized unreservedly to the people of South Pacific and compensate them financially for [words indistinct] or destroying their natural environment and to heed the overwhelming opposition and widespread protests of the international community. It also demanded that the French Government set up a fund under the auspices of the United Nations to finance the rehabilitation of the people of

the South Pacific whose lives have been adversely affected or endangered by the effects of the nuclear tests.

The memorandum also appealed strongly to the world to condemn the production and testing of nuclear devices so as not to undermine the current international efforts toward nuclear disarmament and the elimination of nuclear weapons. The French nuclear testings were also the hottest topic to be taken up by the Commonwealth Heads of Government meeting in New Zealand next week, although it will not overshadow other important issues. [passage indistinct]

However, it is not Malaysia's intention to poke the United Kingdom in the dock over the nuclear issue at the meeting to be held in Auckland from 10 to 13 November. As for Malaysia, it would be among the group of countries making its oral submission at the International Court of Justice in the Hague on 7 November to back its objection to nuclear weapons and nuclear testings.

Official Views Military Cooperation With PRC

*BK0611095595 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 6 Nov 95*

[FBIS Translated Text] Military cooperation between Malaysia and the PRC will be expanded in the future, especially in the field of military industry. Deputy Defense Minister Datuk Dr Abdullah Fadzil Che Wan says the cooperation will also involve an exchange program for military officers from the two countries. Datuk Abdullah was receiving a courtesy call from Lieutenant General (Zhou Youliang), deputy director of logistics for the PRC army. The seven-member PRC delegation is on a five-day visit to Malaysia to observe the operations and the administration of the Malaysian Armed Forces.

Another possible area of cooperation is joint military exercises. As for military industry, he says the PRC can send military personnel to apprentice with Malaysia's Aerod Company:

[Begin Abdullah recording] We may have an exchange program for military personnel from Malaysia and the PRC at various levels, including short courses, officers' courses, and specific training programs. [end recording]

Singapore

Ministry 'Deeply Shocked' by Rabin Assassination

*BK0511111195 Singapore Radio Corporation of
Singapore in English 1000 GMT 5 Nov 95*

[FBIS Transcribed Text] The Foreign Ministry, in a statement, says Singapore is deeply shocked and

saddened by the assassination of Mr. Rabin. It says Mr. Rabin has lost his life in pursuit of the conviction that Jews and Arabs can live together in peace and security in a prosperous Middle East. Singapore hopes that his death will not be in vain and that the peace process will continue until a comprehensive, just, and lasting peace is achieved in the Middle East.

Minister on Agriculture Issue at APEC Summit

*BK0311093895 Melbourne Radio Australia
in English 0630 GMT 3 Nov 95*

[From the "International Report" program]

[FBIS Transcribed Text] With less than two weeks to go before the APEC [Asia-Pacific Economic Cooperation] Leaders' Summit in Osaka, Singapore is trying to broker a compromise. Australia's prime minister, Paul Keating, has warned that APEC is in danger of collapsing if Japan and some of its North Asian neighbors are successful in removing agriculture from the reform agenda. Now Singapore's trade minister has suggested that Japan could sign up for free trade in agriculture but with a delayed starting date. Katherine McGrath reports:

[Begin recording] [McGrath] It's count down time for the APEC Leaders' Summit in which Japan, South Korea, China, and Taiwan all pushing for an agriculture exemption. The pressure is right on all APEC members. Paul Keating has made clear his view that agriculture should not be exempted and there is the target accepted at last year's Bogor Summit as free trade by 2010 for industrialized countries and 2020 for less industrialized should be adhered to. In the last few days, the U.S. Ambassador to APEC, (Sandra Christopher) stated that members may be forced to reassess the direction of APEC if the Japanese may be successful. Amongst the angst and tension, Singapore trade minister, Yeo Cheow Tong, says a compromise must be found. He says all APEC members are committed to the process and that it is essential all parties look for a solution. Mr. Yeo says that may involve Australia giving some ground, possibly, by accepting that Japan can put off for one or two years, its move to free up agriculture.

[Yeo] Well, one possible compromise would be to have agreement that while they may not address the agriculture issue straight away but a commitment to address it, to say, next year or the year after with the final agreement that by the 2010 and 2020. Agriculture and... I mean, agriculture would be fully addressed.

[McGrath] Well, how would that be achieved?

[Yeo] Well, I think that the details have to be worked out.

[McGrath] The details are the tricky part, aren't they?

[Yeo] Correct, and I think the point is to get the broad benchmark or the key milestone established.

[McGrath] Do you think that compromise would be acceptable to both the Japanese and, for example, the United States or Australia?

[Yeo] Well, we won't know until we hear from them but we hope so.

[McGrath] There is no doubt Australia and the United States are exerting the heaviest pressure on Japan. They are both publicly stating the view that APEC's future success depends on the decision made at this Leaders' Summit. Singapore [Prime Minister] Goh Chok Tong admits that pressure is high but predicts the Summit will be a success. [end recording]

President Ong's Cancer Treatment Plans Reported

*BK0411132795 Singapore Radio Corporation of
Singapore in English 1300 GMT 4 Nov 95*

[FBIS Transcribed Text] President Ong Teng Cheong will begin treatment for his lymphoma next week. A statement from the Prime Minister's Office said his treatment would last for a period of four to five weeks. Consultants at the Stanford University Medical Center had agreed with the president's principal physicians from NUH [National University Hospital] on the regimen of treatment when the president was in the United States recently.

The statement said during the course of the treatment, the president may suffer some mild nausea, fatigue, and throat discomfort. He is expected to completely lose his hair by the end of the treatment. The president has been advised to cut down his public commitments during this period to avoid possible infection. The statement added that low grade lymphoma is sensitive to therapy and, in the doctors' assessment, there is an excellent chance the president's lymphoma will respond well to therapy.

Cambodia

Hun Sen Condemns Assassination of Israel's Rabin

*BK0511140095 Phnom Penh National Radio of
Cambodia Network in Cambodian
1300 GMT 5 Nov 95*

[Speech by Hun Sen, second prime minister of the Kingdom of Cambodia, at the naval headquarters in Phnom Penh on 5 November — recorded]

[FBIS Translated Excerpt] [passage omitted] The international situation is confusing, having changed from two poles to one pole. It is moving toward multiple poles in many areas. War has broken out in many areas,

such as in the former Yugoslavia, former Soviet Union, Rwanda, and other regions—for example, Afghanistan and Somalia.

In particular, a new tragedy occurred last night. It was the death of his excellency the prime minister of Israel, who was assassinated in Tel Aviv, Israel. On this occasion, on behalf of the Royal Government of Cambodia, the Khmer Royal Armed Forces, and the National Police—and on behalf of the Cambodian people—we would like to pay respect to His Excellency Rabin, prime minister of Israel. We would also like to strongly condemn this cowardly crime, the assassination of this important political leader who was searching for peace through an agreement with Palestine [passage indistinct].

Khmer Rouge 'Minister' Views Planned Elections

BK0611115895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 5 Nov 95

[Interview with Chan Youran, deputy prime minister, foreign minister, and minister of the defense of national culture, literature, and customs of the Provisional Government of National Union and National Salvation of Cambodia by an unidentified station correspondent; place, date not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency. As you know, the two heads recently said that they are preparing for elections in 1998. What are your views on this issue?

[Chan Youran] Thank you. Here are my views. There are three questions. First, what is the source of the two heads? Second, who do they represent? Third, what have they done for the Cambodian nation and people?

As for the first question, our compatriots and the whole world know that the two heads were born from the strategy, policy, and plan of the alliance and communist Vietnam. They planned and put together the two-headed government in 1993 through their sloppy election and UNTAC [UN Transitional Authority in Cambodia]. Their goal is to use the two heads as a direct tool to continue fueling the war and to oppose national reconciliation; the four parties; and an independent, sovereign, unified, peaceful, neutral, and nonaligned Cambodia with its territorial integrity intact.

This is why they banded together to violate and trample on the October 1991 Paris agreement for a comprehensive political solution to the Cambodian problem. The major points of this agreement have all been violated; for example, the withdrawal of all communist Vietnamese aggressor forces from Cambodia, the national

reconciliation of the four parties that were members of the Supreme National Council [SNC] then chaired by Samdech Norodom Sihanouk, the organization of elections amid a neutral political atmosphere under the aegis of UNTAC and the SNC, and respect for the election results.

What is the truth?

1. UNTAC and the alliance did not force the withdrawal of the communist Vietnamese aggressor forces from Cambodia. They kept saying there were no Vietnamese while allowing the Vietnamese regime to continue controlling all of Cambodia, from Phnom Penh to the provinces, districts, communes, and villages.

2. There was no neutral political atmosphere to speak of. The communist Vietnamese regime was dictatorial and fascist; it dominated the Cambodian nation and people and the SNC. A number of our people and members of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Buddhist Liberal Democratic Party were killed before, during, and after the elections. No one cared about this.

3. FUNCINPEC won the election. Despite this fact, communist Vietnam ordered its puppets to stage a coup to split off seven provinces in order to maintain the communist Vietnamese regime through the two-headed government.

As for the second question, who does the two-headed regime represent? It is clear that it represents communist Vietnam and the alliance and opposes the Cambodian nation and people. The two heads are traitors; they oppose national reconciliation and continue to fuel the war to kill the Cambodian nation and people. They have allowed communist Vietnam and over 4 million ethnic Vietnamese to annex Cambodia, just like Kampuchea Kraom [former Cambodian territory now part of southern Vietnam]. They have allowed Cambodia to become a strategic base for the alliance. At present Cambodia is not independent, unified, peaceful, neutral, or nonaligned with its territorial integrity intact.

As for the third question, what have the two heads done for our nation and people? Our nation and people are aware of the following:

1. The two heads have sold Cambodia to communist Vietnam, the alliance, and dishonest foreign businessmen. Communist Vietnam, for example, continues to nibble at Cambodian territory at will. Tens of thousands of square kilometers have been annexed in eastern Cambodia, from Ratanakiri down to Cambodia's islands, seas, and continental shelf. Large chunks have been annexed by Vietnam. Ethnic Vietnamese and the

Vietnamese administration are in control in these areas. Inside Cambodia, pieces of land have been taken over. Ethnic Vietnamese have been flowing into Cambodia in a systematic way in accordance with the plan to annex Cambodia through a demographic war. Ethnic Vietnamese have taken over and plundered the rice fields, rivers, lakes, fish, and timber of our nation and people. This is why 6 million Cambodians are starving.

2. The alliance has colluded with communist Vietnam to continue fueling the war to kill our nation and race. The U.S. Administration is starting to get involved in the communist Vietnamese war directly.

3. Under the two-headed regime, our people have no rights, freedoms, or democracy whatsoever. Communist Vietnam and the two heads remain dictators that dominate our nation and people, personalities, journalists, and students who have a national conscience. The people's view is that the two-headed government is a tiger while the people are calves. The tiger is eating the calf.

4. Under the two-headed regime, Cambodia is now referred to as a country of thieves par excellence because of its opium and drug trafficking. Children have been abducted and sold. The country also has the highest number of brothels and AIDS patients, it is first in the plunder of antiques, it is a Mafia country, and so on. This is a tragedy for the Cambodian nation and people.

[Correspondent] The two heads say that whatever the result of the 1998 elections, they will continue to hold power. What do you think of this?

[Chan Youran] My view is that, first, this is a statement by communist Vietnam and the alliance. They are continuing their strategy, policy, and plan in Cambodia. This means they are organizing the 1998 elections the same way they did in 1993.

Second, the Cambodian nation and people, the Cambodian National Union Party, and political parties with a national conscience categorically oppose the two heads and the strategy, policy, and plan of communist Vietnam and the alliance. None of us will allow this situation to continue. Our nation and people must decide our own destiny through elections organized by a national government in which all parties participate amid a genuinely neutral political atmosphere.

Third, in a proper election held in a genuinely neutral political atmosphere, our Cambodian nation and people will certainly vote for the resistance fighters to reconcile and save the nation, safeguard the race, and finish the two heads and the war. Our nation and people no longer need the war; they want peace and genuine national reconciliation to resolve the issue of the ethnic

Vietnamese and rebuild the nation, society, and rural areas.

[Correspondent] The two heads recently affirmed that for the 1998 elections they will set up a committee to supervise their Army and police and ensure a neutral political atmosphere. What is your view?

[Chan Youran] This is deceitful propaganda by communist Vietnam and the alliance intended to retain the two heads. Our nation and people clearly see through this maneuver. How can this supervision be carried out? Everything is being organized and set up by the communist Vietnamese administration, which is fascist and monopolizes everything. It constantly throws grenades and murders and intimidates the people, the masses, and political figures. This so-called commission belongs to them. Even with the inclusion of a few other people and foreigners, it cannot carry out any supervision. It will only legitimize the deceitful elections held by communist Vietnam and its out-and-out lackeys.

[Correspondent] Thank you, Your Excellency.

Indonesia

Suharto Expresses 'Shock' at Rabin's Death

BK0611071795 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 6 Nov 95

[FBIS Translated Text] President Suharto has expressed shock at the assassination of Israeli Prime Minister Yitzhaq Rabin and has conveyed his personal condolences. The message had been dispatched to the office of Acting Prime Minister Shim'on Peres. President Suharto has also expressed the hope that Rabin's death will not upset the Middle East peace process.

Murdiono, Minister and State Secretary told journalists in Nusa Dua, Bali today that Indonesia supports the Middle East peace process within the framework of establishing the basis for recognizing the right Palestinians to their homeland, to determine their future, and to set up self-government.

Ministry 'Deeply Deplores' Rabin Assassination

BK0511091095 Jakarta ANTARA in Indonesian 0331 GMT 5 Nov 95

[FBIS Translated Excerpt] Jakarta, 5 Nov (ANTARA) — Indonesia deeply deplores the assassination of Israeli Prime Minister Yitzhaq Rabin and hopes that the incident will not disrupt the Middle East peace process.

"As a peace loving country, Indonesia is against the settlement of problems through violence. The Foreign Affairs Department deeply deplores the incident," Ghaffar

Fadyl, director of the department's Foreign Information Service, said to ANTARA in Jakarta Sunday morning. [passage omitted on background of Rabin's assassination]

[Jakarta ANTARA in Indonesian at 0436 GMT on 5 November carries comments by Abu Hasan Sadzali, vice chairman of parliament's Commission I, who says: "Even though the peace process may face obstacles, I believe Acting Israeli Prime Minister Shim'on Peres will be able to continue the peace process between Israel, Palestine, Jordan, and Syria."

Abu Hasan adds: "Israel and Palestinian leaders may need to consolidate their position within their own country to cope with the hardline factions, but I believe that, with the support of major powers like the United States and other Western countries, Israel and Palestine will be able to resume the peace process, despite opposition by the hardliners."]

Paper Urges Continued Middle East Peace Process

BK0611091895 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 6 Nov 95

[From the press review]

[FBIS Translated Text] According to the daily PELITA, we must admit that Yitzhaq Rabin's death is a great setback to the Middle East peace process. His death also proves that the enemies of the peace process still play a dominant role in the region. We share a similar belief with the majority of the international community that the ongoing Middle East peace process offers great hope and opportunity to shape the future of the region. Therefore, we hope that moderate groups, whether in Israel or Palestine, will soon take careful and brave steps to continue and preserve the peace process. In other words, Rabin's death should make them more mature and experienced in continuing the peace process.

Sixty-Five People Arrested in West Java Riots

BK0411122795 Jakarta KOMPAS in Indonesian 4 Nov 95

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Purwakarta, KOMPAS — Destructive acts in the past three days in Purwakarta must have been masterminded by a third party wanting to instigate SARA [ethnic, religious, racial, and inter-communal] conflicts. Therefore, the authorities will intensively interrogate the perpetrators of the destructive acts and take appropriate legal action. The authorities have thus far detained 65 people for interrogation.

Major General (Police) Subandi, chief of West Java Regional Police Force, said this at a press conference

on Friday (3 November). Also present at the meeting were Lieutenant Colonel (Police) Istanto Judiharjo, chief of West Java Police Information Service; and Colonel (Police) Suyitno, chief of Purwakarta Area Police Force.

Speaking on a separate occasion, Brigadier General Suwarno Adiwijoyo, chief of ABRI [Armed Forces of the Republic of Indonesia] Information Service, called on the public not to be easily provoked by misleading reports that could undermine national unity and integrity. "The public must not be provoked by reports, especially those aimed at instigating SARA conflicts," he said.

Maj. Gen. Syarwan Hamid, assistant to the chief of ABRI Sociopolitical Affairs, also voiced a similar view, saying that certain people have manipulated several incidents to arouse public sentiments that will lead to the outbreak of riots. "We must be vigilant toward certain people who use such modus operandi. Ordinary cases that can be solved through legal means are often turned into riots," said Syarwan Hamid in Bandung.

Maj. Gen. Subandi said the circulation of thousands of illegal leaflets, which led to demonstrations by about 15,000 people in the past three days, showed that a third party had masterminded such rallies. "The rallies and destructive acts were not spontaneous. Some people must have been behind them," he stressed.

Following the demonstrations and destructive acts that occurred in the evening from Tuesday (31 October) to Friday, the situation in Purwakarta became tense. Security personnel, consisting of about 500 policemen and soldiers, are now seen guarding all intersections and shopping centers around the clock. Hundreds of shops along Sudirman and Kapten Halim roads are closed. At night, people walking along the two roads have their identity cards checked by security personnel, who also disperse crowds of people gathering along the roads.

Purwakarta police disclosed that during the riots five cars, seven shops, three houses, and two storehouses belonging to the Nus Department Store had been destroyed. [passage omitted]

Philippines

Ramos 'Greatly Shocked' by Rabin Assassination

BK0611023095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 5 Nov 95

[FBIS Translated Excerpt] Leaders all over the world expressed shock at the assassination of Prime Minister Yitzhaq Rabin.

According to President Ramos, he was greatly shocked by the brutal and nonsensical violence which shortened

the life of Rabin. The president expressed hope that Acting Prime Minister Shim'on Peres will continue the efforts begun by Rabin for peace in the Middle East. [passage omitted on remarks by other foreign leaders]

Palawan Starts To Disband Militia Units

BK0211102195 Manila PHILIPPINE DAILY INQUIRER in English 27 Oct 95 p 18

[Report by Yasmin D. Arguiza]

[FBIS Transcribed Text] Puerto Princesa City — The Western Command based in Palawan has started disbanding the 500-strong Citizens Armed Forces Geographical Unit (Cafgu) in the province.

Military and government officials said the move indicated improved peace and order in the area.

But the military warned that threats remain, particularly the continuing presence of China in Mischief Reef in the disputed Spratlys and Muslim rebel movements in southern Palawan.

A 74-man Cafgu company based in the towns of Narra and Aborlan was deactivated during a ceremony honoring the newly elected officials of Palawan 21 October led by Maj. Gen. Carlos Tanega, Western Command chief.

Tanega praised political leaders and residents for supporting the military at the height of the Mischief Reef controversy.

"You and I are very much aware of what would have been the outcome if a bully was allowed to have its way," he said.

At the same time, Tanega called for vigilance in the face of renewed threats from Moro National Liberation Front (MNLF) forces who are reported to be recruiting members all over the province.

"There are already disturbing signs of movements in the south as if in anticipation of the possible breakdown of the peace negotiations with the MNLF," he said.

The majority of Palawan residents have rejected the inclusion of the province in the proposed autonomous government of the MNLF.

Ramos Orders Funds Release for Typhoon Victims

BK0611022195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 5 Nov 95

[FBIS Translated Text] Five hundred people have been left dead by super typhoon Rosing [Angela], with the number expected to rise when the tragedy is over. Over P[Philippine pesos] 2 billion in crops and property have been completely destroyed by the typhoon.

Here is the full report from Alex Tinsay:

[Begin Tinsay recording] Already, 500 people are reported to have died from the lashing of typhoon Rosing. Most of the victims were from the coastal communities of Bicol and Quezon provinces. In Paracale, Camarines Norte, 114 died after the super typhoon hit the area directly. In Calauag, Quezon, 100 people drowned after being swept away by huge waves. It is feared that the death toll will rise as 300 more are missing. Property and crop damages have reached P2 billion. At present, members of the DPWH [Department of Public Works and Highways] are busy building a temporary bridge after the Lagnas Bridge in Sariaya, Quezon which serves vehicles from Bicol and Quezon to Manila, was swept away. According to Meralco [Manila Electric Company], 64 of the affected areas have had electrical power restored.

Meanwhile, President Ramos has ordered the release of P33.4 million as calamity funds for victims of typhoon Rosing. Ramos issued the order during his tour of the provinces of Quezon, Aurora and Nueva Ecija.

Based on the recommendation of Defense Secretary Renato De Villa, P18.4 million pesos will be distributed among the provinces of Catanduanes, Camarines Sur and Norte, Quezon, Laguna, Cavite, Marinduque and Batangas. These places will be given P2 million each; while P100,000.00 will be distributed to the municipalities of Presentacion, Garchitorena, Heroma and Naga. Ten million pesos will be used to repair the Quirino-Aurora road, while the remaining P5 million will be used to repair dikes in Bungabong, Nueva Ecija.

Typhoon Rosing is the fourth such strong typhoon to lash the country this year, after Onyang, Mameng and Pepang. However, we are certain that these calamities will not break the spirit of our people but become a challenge for greater solidarity and cooperation.

Alex Tinsay, GMA Balita [News]. [end recording]

Thailand

Prime Minister Expresses Sorrow at Rabin's Death

BK0511144495 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 5 Nov 95

[FBIS Translated Text] Prime Minister Banhan Sinlapachacha expressed sorrow over the death of the Israeli prime minister. The prime minister also talked to reporters about security at the Israeli Embassy. He believed the Israeli prime minister had taken every precaution with regard to his safety, but what happened was unpreventable. Prime Minister Banhan said he would advise the Foreign Ministry to send a condolence message to Israel.

[Begin recording] [Correspondent's question indistinct]

[Banhan] As a matter of fact, local police authorities are responsible for the security at all foreign embassies. This includes all embassies, not just those of the Middle East countries. The police have been stepping up security measures at all foreign embassies in the country. [end recording]

The police will provide increased security protection for the Israeli Embassy. Police Major General Phairat Phongcharoen, deputy spokesman of the Police Department, told reporters following the assassination of the Israeli prime minister that the Special Branch Police have been told to cooperate with the Israeli Embassy for security reasons. The Special Branch Police will also cooperate with Interpol to monitor terrorist movements.

Prime Minister Named as Godfather in Government

*BK0611020695 Bangkok SIAM POST in Thai
5 Nov 95 pp 1,16*

[FBIS Translated Excerpt] A disclosure of a list of godfathers in Thailand has been made by economics lecturers of Chulalongkon University, Phasuk Phongphaichit, Sangsit Phiriyarangsarn, and Nuannoi Trirat. The data is included in Wiangrat Netipho's thesis on the "Study About Godfathers From a Government Officials' Perspective," presented to Thammasat University in 1994.

The thesis is based on findings from a survey conducted among government officials, such as district officers and chief police inspectors. A list based on replies by district chiefs lists the following names as Thai godfathers: Somchai Khumplum, Charoen Phatthanadamrongchit, Piya Angkinan, So Thanawisut, Watthana Atsawahem, Chatchawan Khong-udom, Narong Wongwan, Banhan Sinlapa-acha, Sano Thianthong, Chaisiri Ruangkanchanaset, and Udomsak Thangthong.

A list compiled from replies by chief police inspectors names the following as godfathers: Somchai Khumplum, Charoen Phatthanadamrongchit, Piya Angkinan, Chatchawan Khong-udom, Watthana Atsawahem, So Thanawisut, Banhan Sinlapa-acha, Narong Wongwan, Chaisiri Ruangkanchanaset, Udomsak Thangthong, and Sano Thianthong.

Earlier, Nuannoi Trirat hinted that the university thesis suggested that 6 to 10 politicians in this Cabinet are local godfathers, or those with businesses related to godfathers, who have links with money laundering rackets in Thailand.

The academic also reported the results of a survey conducted between April and June 1995 about public response to an anti-money laundering bill. Of the 1,500 questionnaires distributed to various career groups, 453

replies were received. Of that number, 95 percent supports the promulgation of an anti-money laundering bill to suppress narcotics trafficking. They also want the law to cover other economic crimes, such as arms contraband, official corruption, and prostitution. [passage omitted]

Interview With Finance Minister Surakiat Noted

*BK0611080695 Bangkok BANGKOK POST
in English 6 Nov 95 p 17, 28*

["Recent" interview with Surakiat Sathianthai, finance minister, with "business reporters" — reported by Wichit Sirithawiphon]

[FBIS Transcribed Text] Question: It has been said frequently in recent weeks that the economy is plagued with problems and the stock market is very bearish.

Answer: There are various reasons. The downward trend of the stock market has been attributable to foreign factors. The Government has seen to it and tried to boost enthusiasm among investors. I think the world's financial situation should be back on track in a few months.

It is not true that foreign investors lack confidence. I'm not being boastful, but figures can substantiate this claim. Foreign investors are net buyers in the local capital market. But what we say runs against what the figures show. If this is the reason, if we refuse to base conclusions on the facts, if we have been using sentiment and emotion in judging things, this point must be clarified. The media can contribute greatly to making things clear.

But now everybody talks in the same way. All columnists write the same things. It can't be helped, then, it's as if we are trying to hurt ourselves. No foreigners are hurting us but we have done all the damage to ourselves.

Q: The existing problem in the market stems from the fact that Thai investors, both big and small ones, speculate rather than invest long-term.

A: I think it is one of the basics of our market. Investments cram the market when it is bullish without analysing the market carefully. On the other hand, other factors are hard to analyse. Even the Finance Ministry, which has the capacity to analyse at a national level, cannot say, for instance, what the value of the US dollar will be. The US cannot say that, nor can Germany or Japan.

I have avoided using the term "stock players". I try to call them investors in the stock market.

The 10 measures announced recently are believed to be adequate and strong enough. Both Thai and foreign brokers agree with them. They are not measures originating from a Government agency but, rather, they come from listening to the private sectors, both local and foreign.

Q: Is it possible to speed up these measures?

A: From an objective point of view, what has happened during the last two months is speedy enough.

Q: Are there any other stimulants for the market since it is still sluggish?

A: We believe that many of our announcements help increase confidence. Take the Thai Trust Fund for example. When it was first announced, a period of uncertainty naturally followed, possibly due to misunderstanding or the fact that people need some time to collect money. Similarly, the over-the-counter market could open in three months. Things have not been slow at all.

The only other measures you might need must be psychological. The media should provide real information. It is widely claimed that no measures have been undertaken while in fact many have been announced. When nothing is reported, people react accordingly. It is a psychological effect.

Suppose you are an investor and you read in the papers everyday there are no confidence-boosting measures you lose courage and morale. You lose the intention and hold back your investment. But if investors believe there are some measures to help them, and (they know) how long it takes for them to take effect, it is different. If only the truth is told, investors will become more rational and start to think that these measures can really help boost the market.

Q: Then is it because you have a public relations problem?

A: I have never been successful when it comes to public relations. I don't know why. Neither do I know how to correct it.

When I talk, you reporters tell me I talk too much like I'm lecturing, not like a minister. But if I say only a few words, it will not be understood because financial and fiscal issues are highly technical.

When I talk, you write, but what I have said is usually not what you have written. Only once in a blue moon are the two versions consistent. The time given me to talk on TV is very limited.

I reckon Thai society is irrational. The Finance Minister was given credit for the establishment of the Thai Trust Fund — one newspaper called it a long-awaited masterpiece. Two days later the very same columnist

wrote that the Finance Minister had not been performing. What am I expected to understand?

I believe that so far I have been successful at my work. If my performance is lacking, I will not waste my time here. I do not need to be here. I do not need to be criticised. My wife does not want me to be a minister. She wants me to be an academic. We had talked a lot before I took the post. My children are not happy either.

I would like to tell you that if I had not been able to perform, then nothing would have been done. I don't need to wait for a poll. There's no point staying on. What will I get from being a minister? I can help the Government in other ways — and you might even praise me for that.

Q: Are you satisfied with the work done during the last three months?

A: I enjoy what I'm doing. I always remember what I said at the beginning that I would develop the capital market. Some of my work is to continue what had been initiated before. Some initiatives are brand-new, such as universal banking. I am glad Thailand can set this target.

We are also managing to develop a monetary market and boost savings, which called for a lot of discussion. The privatisation of two institutions, which is considered a big issue by foreign countries, was completed in 2 1/2 [two and a half] months. The control of Krung Thai Bank was relaxed and Bangchak Petroleum was liberalised.

There is another thing I would like to do. On November 10 there will be a meeting to determine measures on fiscal policy. I am here to do something for the poor, starting from developing a tax system for the environment, and a credit system for people upcountry.

In the future, the Bank for Agriculture and Agricultural Cooperatives ought to be transformed into a bank for rural development and extend credit to non-farmers, an issue long overlooked by most.

More credit ought to be extended by niche banks, such as the Government Savings Bank, so that they will be the real source of funds for the public. Commercial banks might be asked to forgo some profits and set up projects to help expand credit in rural areas, which might not necessarily be extended to individuals but to groups as well.

The Prime Minister set up a committee to distribute growth, and I chair a sub-committee on distributing fiscal authority to rural areas. The Finance Ministry could have played a pivotal role in closing the income

gap but the mass media has never pursued this issue or pressured authorities on this in the past.

We talk only about a new bank with registered capital of 7.5 billion baht, but not about a project calling for little money but more understanding of the Thai way of living, which will help us determine the optimal way to extend credit among more people.

Q: Is it because you are a lawyer that you were viewed as unprofessional when you took up the Finance post?

A: The British finance minister is a historian, and the only Thai finance minister who was entirely an economist was Dr Wiraphong Ramangkun.

Education should be a better indicator of a person's brains. Nobody is an expert in the finance ministerial post, as it calls for extensive knowledge beyond the financial and fiscal sides. Tharin Nimmanhemin, who is known to be highly competent, graduated with a political-science degree before he took an MBA. Dr Suthi Singasane graduated in accountancy, as did Bunchu Rotchanasathian. This should not pose a problem.

A minister need not be an expert but must know in which direction the policies ought to be heading. He must be able to make a decision and manage. If a minister had to be an expert, then you wouldn't need civil servants.

It is strange that Thai society believes the Finance Minister must be "someone". But who that "someone" is has not been determined yet. It is not known either what degree he should have.

Q: When heavily criticised, have you ever felt disheartened, and what do you do under such circumstances?

A: I am concerned about Thai society. If it continues to go on like this it will become extremely hard to find people to do public service jobs because fewer people will be willing to sacrifice.

If you asked me whether (the criticism) is fair, I would say it is not. If the policies were not good, I would admit it heartily and try to correct them. But things do not go that way. People seem unwilling to learn as they have never accepted the facts.

Living on something less than the truth will bring the country to a major disaster. The secretary-general of Malaysia's Securities and Exchange Commission recently called me up and asked what had happened. Will the Thai economy be affected? Things could have got out of hand if we had failed to act in time.

However, I am not discouraged and I am ready to proceed, even if I am loaded with worries. If they say

I am not performing despite all the things that I have done, what would I become if I danced to what (certain people and groups) wanted me to do? I would find myself dismissed the next day.

If I intervened in share prices, the local market would never become internationalised. Were you an investor and you saw a finance minister intervening in the market like that, would you dare invest in that country? How do you possibly know how he will not intervene again? How can you be sure that he will not become a major player himself or whether his collaborators are?

Creating international quality on the local bourse would then be out of the question. Its credibility would be irrevocably tarnished. There would be nothing left in the long run. If ever I followed advice (to intervene), I would and must be fired immediately.

Or if I intervened in the Bank of Thailand threatening to dismiss anybody who disagrees, the long struggle initiated by our predecessors to free the central bank from political influence would be entirely fruitless.

Q: Do you think Thai society lacks the standard to measure the values of men or their performances and, if so, to what extent?

A: I think we are not interested in the essence of the issues. We are drawn to whatever appears in newspapers; what people talk about spreads like a fire. The people are not to blame as what they read and see each day portrays certain issues as problems.

Can one say that the price range of shares reflects the lack of performance by a finance minister? Everybody has to mind his own business. Who will just follow and watch what Surakiat is doing each day? Who would care enough to study what the credit balance means? Who would care enough to study what savings measures exist? Therefore, they believe what the media say, which is extremely dangerous. But I never blame it on the media.

What I would like to say is that the existing circumstances are hazardous to society and political development. Fortunately, our economy is strong. But the economy must be developed side by side with society. In an advanced technology era such as the present, knowledge must be gained from news. If news is not based on the facts and truth, if what has been done is reported as not done, if what happens is good but is reported as bad, I am left with no way out.

I do not know how to retaliate, nor against whom. The people must learn from what is right. But now what is right or wrong is not known.

Vietnam**Government Expels Two U.S. Passport Holders**

*BK0411152195 Hanoi VNA in English
1459 GMT 4 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov.4 — The Vietnamese Government yesterday decided to expel Nguyen Tan Tri and Tran Quang Liem, holders of American passport, from Vietnamese territory before 24:00 hrs November 6, 1995.

Earlier, on August 11-12, 1995 the People's Court of Ho Chi Minh City, conducted the first instance trial of Nguyen Tan Tri, Tran Quang Liem and their accomplices on charges of acting to overthrow the people's administration

The decision was made proceeding from the Vietnamese Government's goodwill and in response to the American Government's request.

Ho Chi Minh City Prepares for Party Congresses

*BK0311144895 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 16 Oct 95 p 1,5*

[Article by Phan Van Hung, chief of the Ho Chi Minh City Party Committee's Organization Department]

[FBIS Translated Text] At present, the Ho Chi Minh City Party Organization is actively preparing to conduct one round of party congresses at various levels — from the grassroots upward. This is part of its preparations for the Eighth National Party Congress.

The Eighth National Party Congress and the party congresses at various levels will take place at a time when great, very important successes have been obtained from the renovation process; when our country has basically escaped from a socioeconomic crisis; when the people's livelihood has been further improved; when political stability has been firmly maintained; when our national defense and security has been strengthened; and when the country has shifted to a new stage of development — the stage in which industrialization and modernization will be stepped up. Numerous advantages and opportunities will emerge; yet, the dangers and challenges will also be great and complex.

Given this situation, the preparation for and the holding of party congresses at various levels by the city party organization will be a widespread political event for all party cadres and members, with the goals of unifying the party's renovative views and lines; drawing on lessons of experience; ascertaining the tasks, goals, and course of action of the party organization for the 1996- 2000 period; and electing the city new party committee. For this, efforts must be made to further improve a sense

of responsibility, dynamism, and creativity on the part of the city party organization itself and of its party cadres and members in implementing the resolution of the Eighth National Party Congress and the resolution of the Sixth City Party Organization Congress.

To practically prepare for party congresses at various levels, the city party committee has ordered the convening of experimental congresses at 14 grass-roots party organizations and party chapters. Meanwhile, district and precinct party committees and the above- grass-roots party committees belonging to various departments, branches, and sectors of the city as well as of the central level are have been holding experimental party congresses at 121 party establishments (at 12 wards, 7 villages, 52 businesses, 20 non- commercial offices, 21 public organs, and 9 military units) in order to draw on experiences so as to prepare for the conduct of large-scale party organization and party chapter congresses.

Initial results shows that a number of experimental units — districts, precincts, and above-grassroots (or corresponding level) party organizations have drawn on experiences on how to organize and prepare the agenda and manpower for party organization congresses.

With regard to documents from higher echelons, particularly those concerning the Eighth Party Congress and the draft political report to be presented by the city party committee at the Sixth City Party Organization Congress, we must disseminate them among party members and delegates [to party organization congresses] so that they can be aware of the achievements recorded in the renovation process and why these achievements are significant for foreign economic relations and national security and defense. This will enable party members to be thoroughly aware of the existing, unprecedentedly favorable opportunities as well as the tough and complex difficulties and dangers, and challenges; and of the extremely perfidious and dangerous "peaceful evolution" schemes and tricks of the hostile forces. Making party members and delegates [to party organization congresses] to be thoroughly aware of these two documents is aimed at improving a sense of vigilance and militancy among party members, and strengthening their standpoints, political prowess, and resilience. Party cadres and members must be prepared to calmly cope with all situations. Party cadres and members must be aware that in the forthcoming period, the country's renovation process will develop both in terms of its width and depth. They must be able to exploit and use all the resources available to achieve rapid economic growth and carry out national industrialization and modernization in a gradual and steady fashion. This is to create a momentum for us to make a significant step forward when entering the 21st century.

Once they are aware of these requirements, party members and delegates [to party congresses] will be able to make better contributions to various documents of higher echelons and to ascertain objectives, and come up with appropriate policies and approaches for each particular party establishment.

Draft reports on the situation and tasks of grass-roots party organizations and party chapters must be characterized by a review and a roundup of the situation — depending on the functions and duties of the organizations concerned (in accordance with the stipulations of the party Central Committee Secretariat and with guidelines provided by the city party committee), on the resolution adopted by the party organizations concerned in their previous term of office, and on whether these party organizations fully understand these documents. As grass-roots party organizations and party chapters, they must outline in such reports their tasks and goals in substantive terms, particularly in the parts dealing with party building and mass motivation. Such a report can be prepared in the form of a succinct action program.

We must prepare the parts dealing with personnel carefully. These will include election procedures, which we must ensure are carried out in accordance with the Party Statute and with the stipulations set by higher echelons. Lately, as a result of their failure to make good preparations and to follow stipulations, some localities were unable to find enough delegates [to attend higher-echelon party organization congresses] despite the fact that they had held several elections.

It will be a little more than a month and a half — from now until the beginning of December 1995 — before grass-roots party organization and party chapter congresses start. In order to prepare for the successful conduct of the party organization congresses at the three levels in a quick and complete fashion, we must strive to avoid making preparations just for form's sake. The city party committee has instructed various districts, precincts, and above- grassroots party organizations belonging to city blocs and the central level to carry out the following:

— To complete the conduct of experimental party congresses at a number of already-chosen organizations (no need to open more experimental sites); and to hold a conference to draw on experiences for each particular organization.

— To have party members contribute their views on the draft political report of the city party committee; and to round up these views and then send them to the city party committee in accordance with Plan 12/KH-TU of the city party standing committee.

— On the basis of the draft political report of the city party committee, districts, precincts, and above-grassroots (or corresponding-level) party committees must prepare a draft political report for itself and then forward it to the grassroots to solicit public views. Meanwhile, they must direct their grass-roots party committees and party chapter committees to base themselves on the documents of their higher echelons in drafting reports on the situation and tasks of grass-roots party organizations and party chapters.

— To examine, strengthen, and consolidate party establishments that are weak or that have problems to be addressed (such as those that need an investigation to deal with irregularities or with cases where party committee members or party member have filed their complaints). This is to create conditions for the localities concerned to hold party congresses at the same time with other party organizations.

Carrying out the aforementioned tasks actively and satisfactorily will be very important for the success of these party congresses and will make it possible for us to guarantee their progress.

Ho Chi Minh City Admits 2,632 New Party Members

BK0311153195 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Oct 95 p 1

[Report by H.S Phung The Vinh]

[FBIS Translated Text] The Ho Chi Minh City Party Committee [HPC] has admitted 2,632 new members in the last nine months. The number of new members admitted on the 65th party anniversary was equal to 139.33 percent of new members in 1994 and 2.5 times more than the total number of new members in 1992.

Many party committees enjoy a high admission rate for new members, especially party committees in 1, 4, 5, 6, 8, and 11 precincts; Tan Binh, Binh Thanh, Hoc Mon, and Cu Chi Districts; and Public Security Force, Armed Forces, Border Troops, the Ideological and Cultural Bloc, mass organizations, Internal Political Security, Housing and Land Department, Education Ministry, and Construction Ministry.

In its last official term, to satisfactorily carry out the third party plenum resolution on party renovation and correction, the Ho Chi Minh City Military Party Committee [HMPP] regulated the content, method, and working regulations of its party control work.

Party control committees at all levels conducted checks in 44 basic party organizations, 29 party committees, and 11 HMPP members on the comprehension and

execution of resolutions and directives issued by the higher party level and on the execution and organization of the implementation of resolutions issued by their own level. The party control work actively helped to build strong party committees and improve the quality of party members. The number of clean and strong party committees increased every year, from 55.55 percent of the total party committees in 1992 to 68.96 percent in 1993 and 86.2 percent in 1994. In the first six months of 1995, all party organizations and basic chapters maintained or increased the good quality of their leadership, construction, and activity. The quality of party members improved significantly. The percentage of party members with top level quality increased from 60.11 percent in 1992 to 62.56 percent in 1993 and to 73.32 percent in 1994. In the first six months of 1995, according to the evaluation made by all party committees, the quality of party members improved continuously, when more than 98 percent of party cadres and members achieved the status of good moral quality and work capacity.

Contents, Significance of Civil Code Reviewed

*BK0311145395 Hanoi Voice of Vietnam in English
1000 GMT 3 Nov 95*

[From "Talk of the Week" Program]

[FBIS Transcribed Text] Vietnam's new Civil Code was approved by the National Assembly over a week ago. In today's edition, we provide a brief introduction to the Civil Code and some of the background to its formation.

The Civil Code is regarded as the most comprehensive single code of law in Vietnam. Its contents cover all aspects of life and concern all strata of the population. The code also creates a firm and comprehensive legal framework for civil relations among all people.

Elaboration of the Civil Code began back in 1980, that is 15 years ago. The drafting was accelerated in recent years, prompted by the demands of the overall economic renewal of the country.

All told, 12 drafts have been made and the final draft was published in order to solicit comments and suggestions from the general public. This period lasted for over eight months. The draft was also submitted to the National Assembly twice before it was discussed in the recently concluded session.

Generally speaking, the code aims to cover to the full possible extension of all personal and property relations in Vietnam. On personal relations, it defines the rights of individuals to have their honor and dignity protected. It ensures their rights to privacy, the right to freedom of beliefs in religion, freedom of movement and residence.

On property relations, the code assures the right of the owner to protect his ownership over his property. This is the starting point and also the focal point for corresponding legal regulations. At the same time, the code provides for the rights and obligations of individuals and organizations who are not property owners.

This and other areas of the code point to the fact that Vietnam inherited and made use the experience of international legal science in dealing with legal questions of a general and popular character such as the exercise of civil obligations and responsibility.

The code defines the condition for the transfer and reception of the rights to land use and the concretization of the land law while providing for five rights of the households and individuals to whom the state allocates or leases land.

Pacific Leaders Express 'Shock' on Rabin's Death

*BK0611060595 Melbourne Radio Australia
in English 0500 GMT 6 Nov 95*

[FBIS Transcribed Text] Pacific island leaders have expressed shock and sadness at the assassination of Israel's prime minister, Yitzhaq Rabin.

In a letter to Israeli's acting prime minister, Shim'on Peres, Papua New Guinea's [PNG's] prime minister, Sir Julius Chan, condemned the assassination and said the people of PNG shared in Israel's shock and grief over Mr. Rabin's death.

Vanuatu's prime minister, Maxime Carlot Korman, said Mr. Rabin's assassination was an act against the Middle East peace process and world process in general.

Fiji's foreign minister, Filipe M. Bole, said the people of Fiji were deeply shocked and saddened by the death of a man who spent much of his life working for peace in the Middle East.

The Pacific news service, PAC NEWS, reports all Pacific leaders have expressed the hope and that Mr. Rabin's death would convince people to work harder for peace between Israel and the Palestinian people.

Bolger, Chan Condemn Assassination

*BK0511092095 Melbourne Radio Australia
in English 0700 GMT 5 Nov 95*

[FBIS Transcribed Text] The leaders of New Zealand and Papua New Guinea have joined the international condemnation of the assassination [of Israeli Prime Minister Yitzhaq Rabin]. New Zealand Prime Minister Jim Bolger says Mr. Rabin had a courage to seek peace in the Middle East and paid a terrible price.

Papua New Guinea's prime minister, Sir Julius Chan, says Mr. Rabin's death is a loss not just to Israel but to all people of goodwill who cherish peace. Sir Julius says he hopes and prays that the assassination will not stop the progress which has been made towards peace between the Israeli and Palestinian people.

Australia

Prime Minister Pays Tribute to Israel's Rabin

*LD0511104995 Melbourne Radio Australia
in English 0900 GMT 5 Nov 95*

[FBIS Transcribed Excerpt] Political leaders in Australia have united in expressing hope that Mr Rabin's death will not harm the future of the Middle East peace process. Both Prime Minister Paul Keating and opposition leader John Howard have praised Mr Rabin's contribution to peace. Mr Keating will attend Mr Rabin's funeral tomorrow [6 November]. Graeme World reports:

[World] Mr Keating says the best way to honor Mr Rabin is to consolidate the peace process. He praised him as a real leader who had made great strides for peace.

[Begin Keating recording] He took the risks; he was a tough person; he had the support of the skeptics in Israel; he had the power and he used it. And it's a tragedy, a personal tragedy, that the world has lost him. [end recording]

[World] John Howard said that for such a courageous man of peace to be gunned down filled people with despair. [passage omitted]

Calls Rabin's Death 'Tragedy'

BK0511090395

[FBIS Editorial Report] Melbourne Radio Australia in English at 0500 GMT on 5 November reports Australian Prime Minister Paul Keating's reaction to the assassination of Israeli Prime Minister Yitzhaq Rabin. Keating calls Rabin's death a tragedy for Israel, the Middle East, and the world. He says the best way the international community can honor Rabin is to push ahead with the work he began and adds that Australia will continue giving full support to the peace process.

Keating says: "I offered to Shim'on Peres, the acting prime minister, our very deepest condolences and to say that the thing that can be best done in the memory of Yitzhaq Rabin is to continue the peace process and to see it consolidated."

Melbourne Radio Australia in English at 0600 GMT on 5 November reports further reaction to Rabin's assassination.

Keating says: "He took the risk. He was a tough person. He had the support of the skeptics. In Israel, he had the power, and he summoned it, and he used it; and it's a tragedy, a personal tragedy, that the world has lost him."

Australian opposition leader John Howard says that it fills people with despair when such a courageous man of peace is gunned down. Howard also urges success in the peace process.

Howard says: "... and I renew determination to ensure that what he did for the future of Israel and for the future of peace in the Middle East is not lost, and that his death and his life was not lived in vain."

Foreign Minister Offers Condolences Over Rabin

*BK0511120195 Melbourne Radio Australia
in English 1100 GMT 5 Nov 95*

[FBIS Transcribed Text] The Foreign Minister Gareth Evans has reacted to the assassination of [Israeli Prime

Minister] Mr. Rabin by offering condolences to his family and to the Israeli people and parliament.

[Begin Evans recording] The appalling tragedies are obviously for Israel and the Middle East. He, Yitzhaq Rabin, really was the key to the success of the peace process hitherto. I mean he was tough but visionary, he was intensely committed but, at the same time, cautious and capable of taking the overwhelming majority of Israeli people with him; and he genuinely was admired and respected on all sides. [end recording]

Minister on U.S. 'Nuclear Experiments', CTBT

*BK0311060895 Melbourne Radio Australia
in English 0500 GMT 3 Nov 95*

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says Washington's plan to carry out a series of what it calls nuclear experiments next year is consistent with the Comprehensive Tests Ban Treaty [CTBT]. The United States plans experiments using a mixture of conventional explosives and nuclear materials but denies they are nuclear tests. It says they will produce no nuclear yield. Senator Evans denies that Washington's decision to conduct the experiment is a backward step. He describes the decision as unfortunate but says Australia will not be launching any protest because it is not a nuclear test.

[Begin Evans recording] The timing of it is unquestionably unhelpful in terms of the comprehensive test ban negotiations that lie ahead. In substance, there is nothing much wrong with the American decision but the (?optics) of it are very bad. What you have to deal with is a situation of the impression being left that the Americans are going on testing something in an environment where everybody is saying there shouldn't be any testing at all. [end recording]

The Greenpeace organization says Washington's announcement may lead to other countries such as Russia and Britain also resuming nuclear tests.

Accord Reached With UK's Labor Party on Voters

*BK0411110795 Melbourne Radio Australia
in English 0500 GMT 4 Nov 95*

[FBIS Transcribed Text] The ruling Labor Party in Australia and the opposition Labor Party in Britain have reached agreement on a plan aimed at increasing support from expatriate voters. The agreement comes ahead of elections in both countries. The two parties will help each other to register voters, attract new

members, and campaign for elections. The plan was jointly announced by Australia's Deputy Prime Minister Kim Beazley, and the deputy leader of the British Labor Party John Prescott. Mr. Prescott says that, with an estimated 250,000 expatriate Britons living in Australia, their vote could be crucial for the outcome of the next election in Britain.

Opinion Poll Shows Surge of Government Support

*LD0511115595 Melbourne Radio Australia
in English 1100 GMT 5 Nov 95*

[FBIS Transcribed Excerpt] The decision by Prime Minister Paul Keating to attend the funeral for Mr. Rabin has ended speculation about a federal election on 9 December. Mr. Keating will be overseas for about a week. He returns to Australia from Israel on Wednesday [8 November] and leaves for New Zealand the next day to attend the Commonwealth Heads of Government Meeting in Auckland.

Meanwhile, the latest Morgan opinion poll shows there has been a surge of support for the government, but it still trails the opposition coalition by 3 percent. [passage omitted]

New Zealand

Prime Minister Pays Tribute to Israel's Rabin

*LD0511105195 Wellington Radio New Zealand
International in English 0900 GMT 5 Nov 95*

[FBIS Transcribed Excerpt] New Zealand political leaders have spoken out about today's [as heard] shooting [of Israeli Prime Minister Yitzhaq Rabin]. Prime Minister Jim Bolger says it's both a tragedy and an obscenity.

[Begin Bolger recording] Israel and the Palestinians have had such a terrible history of disagreement, anger, and bitterness. And for Rabin to have worked his way from that to peace and then to be assassinated — as I say, there's a sense of obscenity about it. [end recording]

And opposition leader Helen Clark says Mr. Rabin was a man of enormous political courage.

[Begin Clark recording] I'm very, very shocked by the assassination of Mr. Rabin at a time when he had made so much progress toward reconciliation between the Jewish and Palestinian peoples. It is tragic that an extremist has struck him down for what he has done. [end recording] [passage omitted]

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